Market Smart Social Protection

A lightbulb moment?
Overview

1. Market Systems and Social Protection/Graduation Approaches

2. The Problem: A Missed Opportunity

3. Combining the Best of Both

4. Practical progress from Nepal
Market Systems Development focuses on:

- The (market) **systems** around the poor
- Working **indirectly** in the system, never becoming part of it
- Any intervention is **temporary**
- **Sustainability, scale**
- Often partnering with and challenging **businesses**

Social Protection/Graduation focuses on:

- **The poor themselves** – protection from shocks
- **Direct** support, enabling them to **graduate (sustainably)** from social assistance
- **State or other** provision of support is the sustainability pathway
- **BRAC experience**

Thinking about sustainability – similar but different
The Problem: A Missed Opportunity

Both approaches seek support for sustainable exits from poverty, but there’s been a lack of mutual respect

Graduation programs mostly use cash which is market friendly

Social transfers, do it the business way, they make money off them!

When actually:

MSD programs can work with the extreme poor if the donor adjusts VFM measures

When actually:

When actually:
Combining the best of both means adjustments by both SP/Graduation school:

- (Market) **systems** analysis informing social transfer ‘design’
- Monitoring the effects of direct delivery on **existing/potential providers**
- Attention to ‘**Who does, Who pays**’ after the project support
- Analysis of **existing informal social support** and ways to enhance this

Market systems school:

- Start with **poverty and livelihoods analysis**, then focus on growth opportunities
- Disproportionate **weighting of benefits** accruing to extreme poor (vfm)
- **Broaden indicator set** beyond NAIC, jobs to include access, agency of extreme poor
Practical Progress from Nepal

- Co-leadership & design, joint field work
- Agreement on ‘Let’s not do that!’ – The Weaver Story
- Partnership principles
- Donor & partners willing to experiment and take risks
- Openness to create something new, different
- Keeping each other honest
- Livelihoods analysis first, then market systems
- Agreement ‘we’ won’t deliver anything, but work with those in the system who will still be there after our time

× Territorial behaviour
× Some resistance, shouting, intransigence
×…but lots of lightbulb moments!
THANK YOU