

# 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

When actually:



Graduation programs mostly use cash which is market friendly

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



# 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