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Combining resilience and market systems: supporting peace and prosperity

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All blogs

Market systems development is a necessary condition for building meaningful economic resilience. There. I've said it!

Recently I had the privilege of speaking alongside Dara Akala, Bill Grant and Precious Agbunno at BEAM's webinar on How MSD enhanced Nigerian farmers' resilience to COVID-19. We highlighted the market systems changes facilitated by the MADE and PIND programmes, and explored if, how, and how well these new arrangements helped farmers manage and mitigate (i.e. be more resilient to) 'lockdown' related responses to the COVID pandemic in Nigeria.

Precious talked about how COVID-induced lockdowns, curfews, limitations on public gatherings, and inter-state movement restrictions affected farmer access to input and output markets, financial services and information. All of which negatively impacted sales, costs and returns. Yet he also described how the market system changes facilitated in large part by the MADE and PIND programmes over the previous decade helped farmers respond more robustly and be more resilient to these COVID 'shocks and stresses'. Surveys, he reported, show 84 per cent of farmers deployed improved adaption strategies, and 53 per cent deepened 'problem solving' relationships with service providers and supply chain partners all with high reported rates of satisfaction.

The purpose of this short blog is not to regale the reader with the richness of these experiences and findings. Those interested in this detail are kindly invited to listen to the session and read the associated MADE learning review. Spoiler alert – yes, as indicated above, many of the market system changes did help smallholder farmers to be more resilient in how they responded to the risks and challenges induced by the COVID pandemic.

I am going to focus more on the commonalities and/or divergences of market systems and resilience as concepts, and as applied in practice. Why so? The answer lies in recent history. As market systems development emerged, it did so in response – or perhaps in contrast to – the then more dominant 'livelihoods approach'. At the time, thinkers and practitioners were invited (obliged almost) to choose their camp. Are you livelihoods or market systems? – and be careful how you answer! Many of us accept diversity as a good thing in principle. Yet, in development – at least in this case – diversity sowed division and discord between the two camps. There were no winners from this.

The reality, of course, is that there was more that united than divided livelihoods and market systems thinking – conceptually and definitionally at least. Division was more at the level of programming – the development challenges and contexts to which the two approaches were deployed, and the different objectives and results frameworks applied to the approaches.

At the time, The Springfield Centre, working under the SDC-funded FAUNO mandate, appointed Mike Albu – now of BEAM Exchange – to lead author a paper entitled Comparing M4P and SLA frameworks: complementarities, divergences and synergies. The points made above were played out in this paper – still an important and educational read for all of us. It went a long way to healing divisions and started at least to put respect and learning back at the heart of discourse between the two camps.

Unfortunately, I'm starting to see a similar dynamic emerging now. A badging and decamping – turn left for Resilience and turn right for Market Systems…keep walking and don't look back. Let's not do that. Let's not make the same mistake as before. Between the webinar and this blog we hope arguments can be made that there's more that unites than divides, and where there is division it's again not at the level of concept and definition; but more how funders choose to programme and measure resilience vs market systems development.

This is a blog, not a research paper. So I won't espouse on formal definitions or detail lengthy characteristics associated with resilience and market systems. Simply to say that both approaches are concerned with:

- People and poverty: putting the poor at the heart of the development objective.
- Systems and capability: recognising that people exist within systems, poverty is a manifestation of system weakness(es), and the purpose of development is systems strengthening – responsive, inclusive, and adaptive.

- Facilitative role of agencies: working with and through local actors and building local institutions as integral to building system capability, empowering not distorting, developing not displacing.

Clearly, there’s much synergy and overlap between resilience and market systems at the level of concept and definition.

Where there is divergence, I argue, this relates more to context and objectives as determined by funding agencies. I also argue this is a problem and an ‘own goal’ shortcoming. Let’s explain:

- Context: concerned with shocks and stresses, resilience is rooted in more extreme / emergency / relief type contexts. Market systems programming is rooted more in less extreme and more stable development contexts.
- Objectives: following context, resilience is concerned more with minimising losses, and market systems more with maximising returns.

Yes, the above points are slightly polemic and hence problematic. But I hope the distinction is nonetheless made. My argument is that this is often a false distinction, and as such risks division and divergence that impedes learning and improved development thinking and practice.

Weakness is a spectrum. It’s a relative rather than absolute concept. Smallholder farmers in the Niger delta operate along this spectrum. They are as concerned with risks as they are with returns. That’s reflective of their own realities. Yes, they are aspirational and are looking at ways of investing and growing their assets and incomes and improving their lives and livelihoods. But they are also cautious, recognising that any safety net is thin, that risk is real, and that many of these risks (e.g. climate, political or insurgent related) are beyond their direct control and are ever present.

If we’re being true to our development focus on people and poverty, why don’t we recognise and respond to this duality? Why should resilience programmes only build the kinds of system capability to manage shocks and stresses? Why should they be measured only in terms of mitigation of losses? Why should market system programmes only build the kind of systems capability to encourage innovation and investment? Why should they be measured only in terms of gains and return on investment?

PIND responds to this critique – it marries both ‘Peace’ and ‘Prosperity’ objectives – resilience and market systems approaches - and is the better for it. It recognises the realities of those it’s there to help and seeks to be responsive to them. Its peace-oriented work aims to understand and build system capabilities to respond to the drivers of conflict and insecurity and help reduce losses. Its prosperity-oriented work aims to understand and build system capabilities to innovate and introduce new and improved practices that can drive productivity and income growth.

If we’re really being responsive to the realities of those smallholder farmers we’re there to help, why shouldn’t we work to help them manage risk and minimise loss, whilst also encouraging them to take risk and maximise returns?

Market systems development is a necessary condition for building meaningful economic resilience; but equally, market systems development that doesn’t build economic resilience isn’t really market systems development, is it?