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LEO BRIEF
Leveraging Economic Opportunities

A FRAMEWORK FOR A PUSH/PULL APPROACH TO INCLUSIVE MARKET SYSTEMS DEVELOPMENT

1. INTRODUCTION

Development practitioners have long wrestled with how to forge more dynamic and effective linkages between work with the extremely poor and traditional market systems development. Often a disconnect exists between the two despite good intent, and the longevity, inclusiveness, and scalability of positive impacts often suffers as a result. In alignment with this increasing focus on inclusion and sustainability, USAID's new markets systems framework emphasizes that the objective of market development work is not only to facilitate more competitive systems, but more inclusive and resilient systems as well. Through the Leveraging Economic Opportunities (LEO) project, USAID is exploring models and approaches that advance these objectives, while remaining aligned with a systems approach.

One inclusive markets approach that has emerged in recent years and garnered an increasing level of attention has become known as the ***push/pull approach***. The name draws from the business world and has been adapted for the international development arena, integrating learning from graduation models, vulnerable livelihoods programming, behavior change psychology, business development services (BDS) market development, and inclusive market systems. A push/pull approach aims to bring more structure to poverty reduction work at both ends of the economic spectrum through a more interactive, coordinated, market-led process of gradual change at both the household and systems levels. It is one of many approaches that can support pathways out of poverty for the extreme poor.

As it is an emerging area with varying definitions and applications, the objective of this brief paper is to:

- provide a common understanding of push/pull within an economic development sphere (sections 2, 3 and 4);
- present eight key features that characterize a push/pull approach (section 5);
- share field experiences from programs translating theory into practice (grey textboxes); and
- discuss some of the challenges that exist in implementation (section 6).

2. DEFINING A PUSH/PULL APPROACH

A push/pull approach is a market-oriented, pathways-based approach to poverty reduction that seeks to strategically link, in design and practice, efforts to support transitions out of poverty for the extreme poor and market development initiatives.

Anchored by a theory of change, it utilizes both *push strategies*—which build capacities to engage in markets, **and *pull strategies*—**which expand the diversity and quality of accessible economic opportunities, to drive more beneficial and sustained inclusion of the extreme poor into market systems through a dynamic process of change.

At the core of the approach is a recognition that the extremely poor have unique circumstances that often preclude them from being able to take advantage of economic opportunities created in evolving market systems. The poorest have a greater vulnerability to risk, limited resources to invest in upgrading, fewer relationships with people who are upwardly mobile, and a heavy reliance on marginal amounts of income from a diversity of sources and systems. In addition, the extreme poor are often missed or under-considered in the analyses that drive program designs. Furthermore, markets are frequently fractured, with undeveloped potential for growth; a base level of skills, resources, behaviors, and/or geographic proximity is required for viable market engagement; and not all value chains or market functions are well suited to the poorest. Yet beneficial engagement in markets is essential to poverty reduction, inclusive economic growth, and the long-term health and resilience of a household.

To help overcome these binding constraints, a push/pull approach integrates a multitude of strategic efforts (see examples in section 3) designed to incrementally build capacities and facilitate the emergence of accessible, quality opportunities in systems that can reduce poverty for households. More than just one-off activities, a push/pull approach is a framework for design, implementation, and adaptive management that is rooted in pathways out of poverty through markets.

In many cases, push and pull strategies are pursued in different programs that specialize in one 'part' of the picture. What distinguishes a push/pull approach is the degree to which these different programs are unified by a shared theory of change and implementation plan that is linked both conceptually and in practice.

Eight key features of the approach are highlighted below and explored further in section 5.

TEXTBOX 1: KEY FEATURES OF A PUSH/PULL APPROACH

1. **Grounded in a robust theory of change** for pathways out of poverty that incorporates both push and pull perspectives. This theory of change drives implementation and knowledge management.

2. **Embraces a systems approach** to analysis and design, recognizing that many systems—market systems, household systems, gender systems, religious systems, etc.—influence change.

3. Informed by market demand**, increases capacities** (such as assets, skills, networks, behaviors) of the extreme poor to gainfully participate in markets (i.e., the 'push'); and **promotes development of market systems** in a manner that expands the quality and diversity of opportunities extreme and very poor households have for such participation (i.e., the 'pull').

4. **Uses sequencing, phasing and/or layering** of interventions to incrementally link together push and pull strategic efforts.

5. **Sensitive to the diversity of income sources** that make up a household's overall portfolio of resources and influence poverty status, using this to inform where the greatest levers for change lie.

6. Attention to the importance of **behaviors, aspirations, and relationships** in the process of change for poor individuals, households, and market players—all of which are key to seeing the theory of change occur.

7. Emphasis in design and implementation on **how, when, where and why** 'push' and 'pull' interventions will interact, along with **'who'** has the incentives to drive change.

8. **A knowledge management system** (e.g., M&E data, analysis, internal learning, 'feedback loops') that facilitates adaptive programming and learning, in support of the theory of change.

TEXTBOX 2: PUSH AND PULL IN ETHIOPIA

In Ethiopia, the USAID mission oversees six programs designed to collectively feed into an overall push/pull approach. Two projects—LMD and GRAD—stand out for their efforts to move beyond a theoretical framework and begin to forge real linkages in practice through coordinated and strategically targeted activities. Livestock Market Development (LMD) is primarily, as its name implies, a traditional value chain development program targeting more competitive, growth-oriented areas and stakeholders. The Graduation with Resilience to Achieve Sustainable Development (GRAD) program works in vulnerable areas with extremely poor households, providing a sequenced, layered package of push and pull interventions to help them 'graduate' from a government support program and into successful market engagement. GRAD (led by implementer CARE) and LMD (led by implementer CNFA)—along with a third livestock development program, Mercy Corps' PRIME—have begun collaborating in a few areas in order to drive some of the economic activity stimulated in LMD's other areas into the GRAD areas to facilitate the 'pull' factor, and to work together to build out the 'middle of the chain' actors (traders, aggregators, service providers) that are key to making the link between push and pull happen. For more on LMD's activities, see textbox 5.

The reality is far messier than it seems on paper, and progress is slow with fits and starts. Some of this collaboration is no doubt reinforced by the fact that LMD has an indicator which requires reporting on linkages formed with GRAD beneficiaries, and GRAD has a mandate to graduate people off government assistance into market relationships. However, commitment to operationalizing push/pull stems from the very top, with the managers of LMD and GRAD invested in meaningful communication and collaboration, having played influential roles in the development of push/pull model itself.

As implementation continues, Ethiopia becomes a 'place to watch' for learning—and impact data—around push/pull in the future, spurred by implementers as well as by a critically reflective USAID mission which is investing in analysis and assessment around the push/pull model.

3. BACKGROUND ON TERMINOLOGY

The terms 'push' and 'pull' have been around for many decades in the business world and are most commonly used in supply chain management and marketing to classify production and outreach strategies. There are unique nuances to these terms depending on the field of application (e.g., logistics versus advertising), but broadly, they typically mean a strategy that is either supply-led (e.g., 'pushing' production out to customers to stimulate interest) or demand-led (e.g., producing to orders). Most businesses use a mix of the two strategies to maximize success.[1]

Push and pull terminology is also widely used by economists studying migration trends: 'push' factors being reasons that compel people to leave home (e.g., no jobs in the village, death of a spouse), and 'pull' factors being reasons that attract people to a new locale (e.g., promise of jobs, family or friends living in the city). Many practitioners are familiar with these terms as they relate to livelihood programming for pastoralists. Again, it is a mix of the two factors (push and pull) that typically drives migration.

Using these terms in development (outside of migration) to describe strategies that support pathways out of poverty is relatively new. But, particularly as it relates to agriculture-led strategies, the meaning is related: In purely economic terms, "push" strategies can be seen as the emergence of a more viable production base—and for this to

[1] For more on push and pull in the business arena, see a basic overview here http://en.wikipedia.org/wiki/Push%E2%80%93pull_strategy

occur amongst the extremely poor, a multitude of constraints and capacity gaps need to be addressed. 'Pull' strategies strengthen the demand of the markets for these goods and services, which, given the fractured systems common in developing economies, also involves complex interventions. A push/pull approach recognizes that an interactive mix of both strategies is needed to achieve sustainable and scaled poverty reduction, and that both micro- and macro-economic forces, along with socio-cultural factors, will influence the scope of change.

Within the development world, the push/pull model first came to prominence in Ethiopia around 2010, building on a government-wide and cross-donor investment to help large swaths of the population—especially extremely poor in less productive or resource-poor regions—gradually build assets, livelihood skills, food security, and resilience. Concurrently, the donor community focused on developing agricultural markets, particularly in the more competitive, productive areas, for overall economic growth and to strengthen the demand (or 'pull') for goods and services from more impoverished areas and communities. Implementers such as CARE, which led the Productive Safety Net Program Plus (PSNP+) to facilitate graduation, began formulating its approach in push/pull language. In its 2011-2015 Feed the Future strategy, the USAID/mission characterizes its approach to linking its economic growth-oriented programming with that in more vulnerable areas as a "'Push-Pull' Model." This approach was echoed by other USAID implementers in program design documents, including the Agricultural Growth Program—LMD and GRAD projects, both profiled more in textbox 2. USAID/Ethiopia has been a pioneer in using as well as critically analyzing this model.

Use of push/pull terminology has spread considerably in the past few years within the USAID world, largely through an organic process, and is used more and more by practitioners, especially those focused on push strategies. Although the approach has been heavier on theory than practice, small pockets of application exist both within individual programs (many of which are highlighted elsewhere in this document) and portfolios of programs (such as USAID/Ethiopia's). Engagement with many of these thought and practice leaders has informed the content of this paper.

TEXTBOX 3: INCLUSIVE VALUE CHAIN DEVELOPMENT RESOURCES

From 2011-12, USAID commissioned work through its AMAP-BDS K&P II program implemented by ACDI/VOCA looking at the inclusiveness of value chain development for the very poor. This effort was not explicitly about push/pull, but did focus on pathways approaches to poverty reduction and how to support value chain development programs in efforts to be more inclusive. A number of good resources from that initiative are available on Microlinks.org, including:

Pathways out of Poverty: Tools for Value Chain Development Practitioners (Fowler, 2012)
Applying Key Principles of the Value Chain Approach to Reach the Very Poor (Fowler, Brand 2011)
10 Case Studies from the field (various, 2012) – see "related content" at hyperlink for links to all cases
Pushing the Poverty Frontiers of Inclusive Value Chain Development, Briefing Paper (Garloch, 2012)
Pathways out of Poverty 2 day E-consultation: see full discussion threads or summaries by day.

4. PUSH AND PULL STRATEGIES

This section explores push and pull strategies in more detail, provides examples of specific interventions that may be used to implement the strategies, and includes several examples from programs. A few important notes:

- As is the case with a market facilitation approach, what distinguishes a push or pull strategic intervention from just a typical activity is often the 'why' and the 'how' behind the 'what.' For example, a savings and lending group initiative may be rolled out as part of a general goal of reducing household-level vulnerability; or it may be rolled out as the first step or one element of a broader strategy to help a community invest into specific market opportunities that can transform their economic situation. A strong, adaptable theory of change that is an active part of day-to-day implementation and planning can help keep the 'why' at the forefront and let it drive how an activity is implemented.

- Over the years, the weight of focus has rested more heavily on push strategies, in part because many of the first to embrace this approach were those working with the extremely poor. However, there is growing recognition of the paramount importance of market 'pull' in driving the success of push and the need to place more attention on developing, analyzing, and learning from pull strategies. Of particular importance are pull strategies that specifically target the extremely poor and the 'baby steps' (such as targeting middle-of-the-value-chain actors) that make pull work in practice.

- This paper stresses that push and pull strategies are most effectively used together as part of an overall push/pull approach, even though push and pull may be implemented by different actors. While coordination between the two can be a significant challenge (as noted in section 6), it must not preclude communication, shared learning and reflection, cross-project relationship building of staff and among stakeholders/partners, and joint planning.

Push strategies

Push strategies are designed to help very poor individuals and households build up a minimum level of assets (e.g., human, financial, social, cultural) that increases their capacity to engage more productively, creatively and proactively with other public and private market actors and to transition out of a cycle of extreme poverty. **Push strategies work best when they are market-oriented and demand-driven,** designed with knowledge of the markets for goods and services that will play a central role in an extremely poor household and community's pathways out of poverty.

Push strategy interventions may

- build household or community assets (e.g., through cash or in-kind transfers, or group-based joint ownership schemes, etc.)
- improve linkages to social protection (e.g., through support in registering with more formal government programs or more informal network building)
- build demand-driven livelihood and 'market readiness' skills (e.g., through skills training, mentorship, or input vouchers)
- improve 'soft' skills such as confidence, negotiating, or relationship building (e.g., through coaching, group exchanges, voucher programs that support direct private-sector interactions)
- address chronic or temporary deficiencies in consumption
- strengthen household capacity to manage risk (e.g., through development of savings mechanisms, promotion of diversification strategies, or access to regular health and nutrition services)
- create less risky entry points for households (e.g., through initial linkages with markets for low input or short-season crops)
- expand access and outreach of critical livelihood services (e.g., through mobile/electronic delivery systems)

Primarily designed to address time-bound needs,[2] push interventions have traditionally been heavily subsidized and not well-linked to commercial actors or terms of engagement. Yet markets and commercial actors can also play valuable roles in achieving many push strategy goals, and help to systematize some of this support. For example, employers (formal and informal) have an inherent interest in a stable, healthy, well-trained work force, as SDC Asia found when it helped mid-size buyers in the Philippine mariculture industry see the win-win value of providing skills training and food rations for its wage laborers. This further helped build interest in other program efforts to encourage skills/livelihood diversification and built trust between the extremely poor and buyers that was key to future improvements in the system that facilitated sustained reductions in poverty and vulnerability.

TEXTBOX 4: IMPLEMENTING PUSH, BUT LINKED TO THE PULL: THE MAWA PROJECT EXPERIENCE IN ZAMBIA

The Mawa project targets vulnerable populations in the same region as an agricultural value chain development program working with more market-viable farmers. Mawa faces a common challenge: it has a mandate to improve the livelihoods of the extremely poor, but the long-term success of this is ultimately dependent on the degree to which these households can link into market structures and networks. Mawa has tackled this head-on, using a phased implementation approach that has as its goal connecting up with the market development efforts on a 'pull' project.

Funded by USAID, Mawa was designed using CRS' *Pathways to Prosperity* model, which focuses on supporting vulnerable households' gradual progression through three core stages—recover, build, and grow—through increasingly market-based push strategies. Core interventions at each 'phase' include (i) assets and basic skills building to support asset stabilization and protection; (ii) layering of skills and intensification or diversification of production systems, depending on location and land size; and (iii) specialized skills and relationship building with community-based private service providers to optimize farming systems and strengthen enterprise relationships. Under Mawa, these interventions also include savings, investment, and lending clubs. After roughly 18 months of strengthened assets, skills and increased productive viability, a subset of these clubs will evolve into increasingly market-oriented business clubs, which serve as launching points for integration into commercially-oriented marketing cooperatives and structures supported by the 'pull' project. Layered across all these efforts are health and nutrition interventions and a focus on more equitable household decision making processes.

To understand how and if these strategies are actually leading to changes in poverty status, Mawa conducts an annual multi-dimensional poverty survey, using the PPI tool detailed in textbox 7 below. Like many programs taking a push/pull approach, Mawa is still in the early years of implementation, so yet to test the success of the linkages to more commercial marketing cooperatives. Impact data is also not yet available, and the 'pull' project has many competing interests. Nevertheless, initial progress is positive and the management team is committed to slowly building the linkages between the push and the pull for sustainable change.

For more on Pathways to Prosperity, visit http://www.crsprogramquality.org/storage/agriculture/Pathway_to_Prosperity.pdf.

Lastly, while push strategies do have a strategic focus on the extremely poor, they often include, and frequently require, the involvement of a spectrum of income groups to attract private sector investment and interest and to nurture upwardly mobile social and business relationships. For example, in designing the next

[2] Many large-scale, localized social protection programs and policies are designed to be systemic and long-term at a macro, enabling environment level, yet even these are still largely envisioned as addressing a time-bound need in vulnerable individuals or communities.

iteration of a graduation program that relied heavily on push strategies, CARE/Ethiopia realized that it needed to set aside funds in its budget and time in its partnership planning to strategically work with the 'less poor' in the community. This included more successful farmers or business people, small and mid-scale traders or aggregators, and local input and service providers. These people did not 'count' in terms of official program beneficiaries, but CARE realized they were critical to building market linkages and to achieving impact at the beneficiary level; the program could not work effectively without engaging them. Similarly, the ACCESO project implemented by Fintrac in Honduras has made a strategic choice to work with the 'better off' farmers in a community in order to further its efforts to lift tens of thousands of extremely poor families above the poverty line using a value chain development approach.

Pull strategies
Pull strategies facilitate the development of market systems in a manner that expands the diversity and quality of opportunities accessible to the very poor to engage more successfully in the economy—be it as a producer, laborer, employee, business owner, etc., or a mixture of these. Many value chain development efforts integrate pull strategies. Yet, to be truly effective as pull strategies, value chain development efforts need to pay sufficient attention to the capacity-based constraints of the extreme poor, as well as the inclusiveness of opportunities that are nurtured.

Pull strategy interventions may

- lower barriers to market entry for both market actors and households (e.g., through risk-sharing investment mechanisms, group purchasing and marketing schemes, contract farming and/or outgrower schemes, discounted membership in marketing cooperatives, development of input agent networks that expand the geographic footprint of affordable service or product delivery, etc.)
- 'build the chain'—especially the 'middle-level' of the value chain such as traders, aggregators, pre-processors and service providers—to break supply and demand bottlenecks between commercial areas and more impoverished geographic regions (e.g., through business development support, financing solutions, building interest in taking up these roles, facilitated stakeholder visits into poorer areas, strengthening linkages between larger traders and smaller middle men, etc.)
- create new streams of income generation (e.g., new categories of jobs) or transform the benefits accrued from an economic activity (e.g., through significant improvements in work conditions)
- introduce new business models or governance structures that disrupt the status quo, create structural change and drive inclusion
- help build demand for specific market functions (e.g., trading), or value chains (e.g., honey) that the extremely poor are well-positioned to compete in (because the work is labor-intensive, or requires low start-up, or can be productive on small plots of land, etc.)
- jumpstart and intensify the economic multiplier effects from growth in a manner that facilitates inclusive objectives

As with push strategies, pull strategies often require a strategic focus on the extreme and very poor while also involving a spectrum of income groups. In addition, pull strategies are often tailored for individual value chains (e.g., rice) or livelihood functions (e.g., farmer); but **understanding the dynamics around the entire household portfolio of income sources is essential if efforts are to be scaled and lead to sustainable impacts in household-level poverty reduction**. Extreme poor households often depend heavily on marginal amounts of income from a multitude of sources throughout the year (e.g., seasonal agricultural wage labor, marketing farm surpluses, remittances, micro-business sales).

TEXTBOX 5: THE 'PULL' PERSPECTIVE

According to the experience of the Livestock Market Development project in Ethiopia (see textbox 2 for background), three factors are paramount in driving transformational linkages between the extreme poor and market structures and actors that help people move to lower levels of poverty: middle men, behavior change and relationships, and ownership of the change process by stakeholders on both sides.

Some of the specific activities LMD is undertaking include:

- Conducting a joint marketing assessment with GRAD (the 'push' program)
- Developing a shared strategy with GRAD
- Targeting traders and buyers (people who serve as the demand pull) for market linkage support through activities like trade fairs. LMD places a particular focus on underutilized traders/buyers already based in the target geographic areas
- Organizing 'buyer trips,' bringing buyers and traders from outside the GRAD areas into the region as a scoping effort and awareness raising about potential supply
- Convening 'supply workshops' to introduce potential producer suppliers to buyers

LMD is seeing some initial progress with these 'baby steps,' which benefit from communicating more closely with GRAD staff in the 'push' areas so that capacity building is coordinated and timed more closely with LMD's efforts. For example, while GRAD works to support increased shoat production and aggregation, LMD sensitized abattoir and meat processing plants to the possibility of a source of supply from this 'vulnerable' area through many of the activities highlighted above; supply relationships have now solidified with three buyers, one of which has re-opened a dormant plant in this impoverished area. Nevertheless, the overall effort is incredibly complex and challenges—especially geographic remoteness and a lack of support services such as animal health or farm inputs—will remain difficult barriers and take time to slowly overcome.

Source: CNFA/AGP-LMD Project

Is everything either "push" or "pull"?

Almost all economic and social development activities could classify generally as either building capacities or strengthening markets for the very poor. However impactful these activities may be, this does not necessarily mean these efforts are specifically aiming to benefit the extremely poor or are part of a broader, well-formulated strategy to transition extremely poor households out of poverty through markets. In addition, an initiative may utilize push or pull strategies, but not take an overall push/pull *approach* that links the two and demonstrates many of the key characteristics outlined in this paper. While this can seem pedantic, by improving understanding and definitions, application and practice can be improved, ultimately increasing the depth and sustainability of impact on market systems and the extremely poor.

5. KEY FEATURES OF A PUSH/PULL APPROACH

A push/pull approach considers both push and pull strategies as essential elements in the design and implementation of a program, recognizing the mutual dependence and interplay between the two. This framework lays out eight key features of a push/pull approach, which may take place within one program or across multiple, coordinated initiatives.

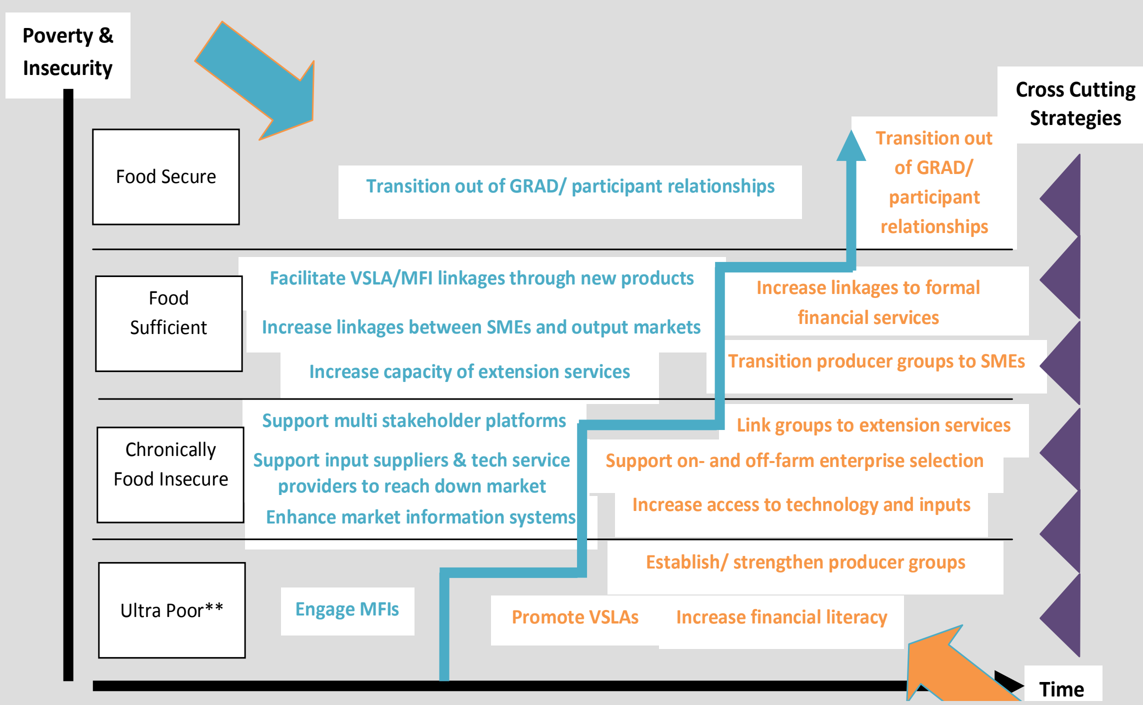
1. **Develops, and then operationalizes** through practical program implementation, **a robust theory of change** for pathways out of poverty, supported by strong causal logic and a clear understanding of market

demand. This theory of change fully considers both 'push' and 'pull' in its logic, even if the emphasis of a program is primarily on one 'end' of the change process.

TEXTBOX 6: HOW CARE HELPS STAFF DEVELOP A PUSH/PULL THEORY OF CHANGE

To help field staff analytically think through and develop a theory of change within a push/pull framework, CARE has developed a step-by-step, internal guide that prods staff with questions to consider and discuss at each stage. The guide incorporates questions about 'push' and 'pull' outcomes and relevant stakeholders at every level of vulnerability, avoiding the temptation to focus only on 'push', and then only on 'pull.' In the introduction, CARE emphasizes the importance of an integrated framework: *"The initial capacity built by implementing push and pull strategies enables groups to form and begin the process of saving or engage in agricultural trainings. At the same time, relationships are being built with market actors and microfinance institutions. These relationships are important to cultivate early in order to work collaboratively down the line. This strategy ultimately allows CARE and our partners to exit from relationships between producer groups and other market and ecosystem actors, while knowing that they will continue to function and grow on their own after the program is complete."*

The guide encourages project teams to dedicate 1.5-2 days for this interactive activity, and after articulating the overarching problem and change desired, staff break down the target population into several categories along a pathway (see graphic below—e.g., 'ultra poor', 'chronically food insecure', 'food sufficient' and 'food secure,' etc.). For each 'category,' the guide prompts questions about the outcomes needed at the household level and the system levels. In the graphic below 'pull' outcomes are on the left, and 'push' outcomes are on the right. After these outcomes are identified, staff then spend time identifying underlying assumptions about the relationships between each outcome, challenging the rationale and exploring how those outcomes are related and influence one another. Drawing from earlier participatory analysis (e.g., focus groups and interviews), staff also explore cross-cutting themes including gender equity, governance, and resilience/vulnerability.



Once the causal model is drafted, staff step back and critically reflect on the linkages between each 'step' through questions such as: Which linkages in your model are you 100 percent confident in, and where does your experience and evidence tell you that these changes are necessary and possible? Which linkages in your model are you less sure of, and where does your experience and evidence tell you that these changes are necessary but may not be possible? Where does your experience and evidence tell you that these changes are possible but may not be necessary?

CARE uses this model most notably in Ethiopia, but has also adapted the approach for a six-country women's empowerment initiative, 'Pathways to Empowerment' (carepathwaystoempowerment.org).

Credit: CARE's Push/Pull Model for Food Security: Step by Step Guide. Adpated by Yetnayet Girmaw, Lemekeza Mokiwa, Whitney Pyles Adams, Vidhya Sriram, Lizz Hutchinson, Christian Pennotti, and Late Laweson-Lartego, from CARE's Value Chain Monitoring and Evaluation Guide, Module 2: Developing, Reviewing Your Causal Model; Innovation Network, Inc. Logic Model Workbook.

2. **Embraces a systems approach** to analysis and design, recognizing that an individual's pathway out of poverty is inseparable from the complex networks and systems in which the individual lives—be it the household, the community or region, the marketplace, etc.[3]

3. **Informed by market demand, increases capacities** (such as assets, skills, networks, behaviors) of the extreme poor to gainfully participate in markets **and promotes inclusive development of market systems** in a manner that expands the opportunities very poor households have for such participation. This is explored in full detail in section 4, Push and Pull Strategies. Capacities include assets, skills, networks, and behaviors.

4. **Uses sequencing, phasing and/or layering** of interventions to incrementally link together push and pull strategic efforts. This is closely tied to the theory of change. Many organizations find that sequencing is as important as the combination (or layering) of skills and capacities. For example, in CRS' Mawa project (highlighted in textbox 4), the project first introduces SILCs (financial management/group management), then layers on marketing/business skills, natural resource management and innovation skills. CARE's approach (highlighted in textbox 5) emphasizes evaluating the rationale and relationships between each 'sequence' along the pathway, and looks closely at cross-cutting 'layers' such as dealing with gender constraints or supporting nutritional security. Change is an incremental process, and sequencing tries to incorporate this reality explicitly into design and implementation.

5. **Sensitive to the diversity of income sources** that make up a household's overall portfolio of resources (e.g., on-farm production, labor, remittances, entrepreneurial activities, etc.) and where the greatest levers for change in poverty status lie, vis-á-vis the project's focus. For the extremely poor, farming may not yield the best impact, for example, as is explored more in the textbox below.

[3] For more on an inclusive market systems approach, see USAID's framework: www.microlinks.org/sites/default/files/resource/files/Market_Systems_Framework.pdf

TEXTBOX 7: LOOKING BEYOND JUST FARMING

While there is sound justification linking agricultural sector investments and poverty reduction (as detailed in this recent literature review, *Agricultural Transformation in Sub-Saharan Africa and the Role of the Multiplier*), for many farming households, income from non-production based activities is often a key element of a family's overall income portfolio and resilience capacity. In summarizing the body of literature contained in *Transforming the Rural Nonfarm Economy* (edited by Haggblade and Reardon), IFPRI states that "nonfarm work accounts for between one-third and one-half of rural incomes in the developing world." And a recent Mercy Corps report on drivers of resilience in Somalia found that "livelihood diversification efforts need to go beyond increasing the number of income sources to promote more independent income sources, which spread risk across different types of hazards."

The poorest of the poor are often either landless or farm on land sizes too small to remain or become competitive as markets evolve. As a result they are often excluded from, or adversely included in, the structures (e.g., marketing cooperatives) and processes (e.g., upgrading) through which benefits flow as agricultural systems develop. Yet labor is a key asset for the poor and extreme poor and low returns to labor, low labor productivity, and the poor quality of working conditions are all related to extreme poverty.

In 2015, LEO will launch an initiative aimed at exploring the evidence and practice link between labor (especially wage labor), rural agricultural systems, and pathways out of poverty. Visit www.acdivoca.org/leo for resources as they become available, and for the literature review referenced above.

6. Attention to the importance of behaviors, aspirations, and relationships in the process of change for poor individuals, households, and market players—all of which are key to seeing the theory of change occur. These factors may prove to be the most entrenched barriers to change, and programs often run into trouble when assuming that what drives the 'less' poor is the same as what drives the extreme poor. Some extreme poor, for example, do not aspire to 'graduate' out of livelihood support programs for very rational reasons – they become more vulnerable to unstable market forces. Barrier analysis, commonly used in the health sector but now slowly gaining application in other fields such as agriculture, can help programs identify the barriers to adopting a specific behavior and flesh out erroneous assumptions or biases. Attention to the roles of 'bonding' social capital (e.g., with those of similar status or position) in addition to 'bridging' social capital (e.g., those unlike you) is also important, and can be better understood through a network analysis. In their inclusive value chain development programming, SDC Asia placed a heavy emphasis on behavior change and relationship building between impoverished men and women and the traders, buyers, and service providers.[4]

7. Emphasis, both in program design and in practical, day-to-day implementation, **on how, when, where and why** 'push' and 'pull' interventions will interact, along with the right mix of '**who'** among a variety of potential stakeholders (public, private, community-based, development projects) has the incentive and capacity to engage. The experience of the AGP-LMD and GRAD programs described in textboxes 5 and 6 is an example of this principle in practice.

8. A knowledge management system that facilitates adaptive programming (e.g., ramping up some interventions, scaling back others, incrementally changing the program's support or 'offer' to strengthen stakeholder ownership of the change process, etc.) **and learning** (e.g., disaggregating learning and M&E by different levels of poverty, analyzing implications) is essential. This is generally best practice in market systems

[4] For more on this project, visit the Pathways out of Poverty case study here: www.microlinks.org/library/pathways-out-poverty-case-study-improving-employability-poor-while-strengthening-mariculture

development, but it is especially critical for push/pull because of the emphasis on sequencing and layering and the complexity of understanding multidimensional poverty dynamics (as opposed to just tracking income or sales).

TEXTBOX 8: M&E TOOLS TO SUPPORT ANALYSIS OF PATHWAYS OUT OF POVERTY

Indicators ultimately drive a lot in programming, especially the further away from original design a project progresses in implementation. Yet, a household's transition out of poverty is about more than just increased income from one crop, though many programs still use that as a proxy. In addition, both tacit (e.g., quantitative and qualitative data) and implicit (e.g., observations) information about how household and market systems are changing is useful for knowledge management. Below are four resources that can support a knowledge management system that allows managers to better assess changes with regards to the push/pull change process.

1. The **Progress out of Poverty Index (PPI),** a 10-question, country-specific poverty assessment scorecard, designed to be administered over several periods of time, that gives practitioners data. http://www.progressoutofpoverty.org/ In Kenya, Grameen Foundation analyzes disaggregated PPI scores to understand how farmers at different levels of poverty (e.g., very poor versus less poor) are interacting and benefitting from markets differently (e.g., does poverty affect who they sell to? When? At what price?). That level of analysis then informs the design of more targeted strategies to address specific constraints faced by the poorest. In Zambia, CRS is using the PPI to provide data on multidimensional changes in poverty status over time and to evaluate and assess the accuracy of its push/pull theory of change so that adaptations in implementation can be made if necessary.

2. The **William Davidson Institute** presents indicators that can support a multidimensional evaluation of changes in poverty. This presentation includes lists of illustrative indicators for three 'dimensions': economic well-being, capability well-being, and relationship well-being. See the presentation here: http://wdi.umich.edu/research/bop/webinar2014/webinar%201_vF.pdf.

3. The SEEP Network's **STEP UP and MaFI Working Groups** are a meeting place for discussion, exploration and debate amongst practitioners working with vulnerable populations (STEP UP – seepnetwork.org/stepup) and within market systems (MaFI – seepnetwork.org/mafi)). Community members share observations, solicit input, and vet/compare findings.

4. Pathways out of Poverty: Tools for Value Chain Development Practitioners is a USAID document that synthesizes and explains existing tools (including assessment tools) from the vulnerable populations arena that practitioners can adapt to better reach the very poor. Available at microlinks.org.

6. CHALLENGES

Operationalizing a push/pull approach remains an emerging area of practice, and as learning continues, a few considerations are appearing that can affect the success of implementation. These challenges include:

- The 'push' and 'pull' are often two separate streams of activities, with few incentives or resources allocated for synergy and integration at the implementation level.

- 'Push' and 'pull' activities are not strictly linear or implemented in a step-by-step and sequential manner. Such a perspective falsely simplifies the complexity of addressing poverty at scale and perpetuates silos. Synchronizing the timing of interconnected activities—e.g., developing viability in a crop while also building interest by market actors in investment, or building the capacity of financial institutions to serve the population while also launching savings groups—can be problematic, and further complicated when donors contract 'push' and 'pull' at the exact same time.

- Often different sets of incentives, behaviors and relationships are encouraged in actors as a result of push versus pull activities, complicating transitions and 'graduation'. For example, a 'push' activity may rationalize heavily subsidizing inputs in an effort to overcome farmers' risk-aversion to investing in inputs that are key to engaging profitably in a certain market opportunity. At the same time, a 'pull' effort may work with input companies to expand their presence in an underserved rural area. However, if farmers have developed a distorted view of input costs because of the subsidy, they may be unwilling to purchase inputs on more commercial terms, the input companies may then withdraw, and farmers will not have access long-term to the inputs required for profitable market participation.

- Insufficient attention is given to the importance of social and economic networks in driving and sustaining poverty-reducing change. For example, some activities target interventions at the wrong network 'node' (e.g., assuming the poor are connected to financial service providers or extension agents, when they are not) or miss the decision maker or influencer (e.g., leaving men out of a gender empowerment initiative). Still other activities fail to build the capacity of the extreme poor to use their existing networks (using their "bonding capital") to gain access to important market actors (expanding to "bridging capital") for sustained growth. In addition, practitioners often only skim the surface of understanding non-economic influencers and incorporating governance systems into program approaches.

- The sustainability of results from push efforts can be hampered by insufficient attention to the capacity of the market system to absorb new players or the requirements for profitable participation over the long-term.

- To date, 'push' and 'pull' activities have largely been contracted via separate projects, often managed by different implementers and overseen by different donor representatives. In other cases, the approach is incorporated into one project, but the implementer is only skilled at 'push' or 'pull', and not the integration of the two. Without a clear strategy for how 'push' and 'pull' will interact in practice, either within or between projects, they often do not.

- Push/pull activities are resource-intensive and take time to show results. When there are competing (or higher) priorities such as increased yields or aggregated sales, a conflict of interest can arise between working with the extreme poor and meeting project targets.

- Figuring out how to appropriately include a spectrum of income groups in a strategic effort (e.g., poorer and less poor), and categorizing the involvement of actors as 'partners' versus 'beneficiaries' can be a significant challenge that requires clear and consistent communication, expectation setting, and training of 'frontline' workers, grants/investment fund coordinators, and mid-level management.

- In resource-scarce environments, production-based agriculture may not provide a sustainable pathway out of poverty for the extremely poor, who lack sufficient capital or resources, or who will struggle to remain viable as the industry becomes more competitive over time. Yet alternate pathways and livelihood diversification options, such as non-farm labor or entrepreneurship, are often elusive or lie in underdeveloped industries. This situation can further be complicated by a time 'lag' in economic multiplier effects from agriculture-led growth. Attention to labor and non-farm-based industries will become even more important.

7. CONCLUSIONS

The push/pull approach remains a largely theoretical model, but this is slowly beginning to change as more programs explore the approach and push and pull strategies. As time continues, hopefully more information and analysis will emerge around the effectiveness of this approach on facilitating pathways out of poverty. To support the process, this paper has attempted to document and articulate how push/pull is currently defined in the practitioner and donor community, and lay out key principles that characterize the approach. In doing so, it draws on many best practices from a range of development disciplines, with many of these 'key characteristics' easily also applying to other approaches and models. Three elements in particular, however, speak to the core of the push/pull approach: (i) the focus on linking push and pull—trying to bring in an interactive process between programs doing work with vulnerable populations and programs doing market development; (ii) the emphasis on a pathways-based theory of change for poverty reduction, that is then operationalized; and (iii) using sequencing and layering to facilitate a gradual change process. Discussion and debate around this approach will surely continue as it evolves.

This document was prepared by Anna Garloch of ACDI/VOCA for LEO. Valuable feedback and shared experience was provided by Marc Steen and Meskerem Shifarew of CNFA's AGP-LMD project, George Gray, independent consultant for USAID/Ethiopia, Emily Burrows of CRS' Mawa project, Sasha Muench of Mercy Corps, Ruth Campbell of ACDI/VOCA's LEO project, and Jeanne Downing of USAID/MPEP. An earlier version benefitted from the contributions of Dan Norrel of World Vision, Lucho Osorio of Practical Action/MaFI Working Group, Jan Maes, independent consultant/STEP UP Working Group, and Nisha Singh of The SEEP Network.