

Market Facilitation Peer-Learning Event 2014 East & Southern Africa region

“PUSH/PULL” APPROACHES TO INCLUSION OF THE POOR IN MARKET SYSTEMS DEVELOPMENT

DEFINING PUSH/PULL

A **push/pull approach** is a strategic approach to poverty reduction that utilizes both *push strategies* that build capacities, and *pull strategies* that facilitate access to opportunities to incrementally drive more beneficial and sustained inclusion of the very poor into market systems.

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 capability 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 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
- build 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)
- address chronic or temporary deficiencies in consumption
- strengthen household capacity to manage risk (e.g., through development of informal savings groups, promotion of diversification strategies, or access to regular health and nutrition services)

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—as a producer, laborer, employee, business owner, etc., or a mixture of these. To be 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

- create less risky entry points (e.g., through linkages with markets for low input or short-season crops)
- lower barriers to market entry (e.g., through group purchasing and marketing schemes, contract farming and/or outgrower schemes, development of input agent networks that expand the geographic footprint of affordable service or product delivery, etc.)
- introduce new business models that disrupt the status quo and drive inclusion, expand access and outreach of critical livelihood services, or create new streams of income generation (e.g. new categories of jobs)
- jumpstart and intensify the economic multiplier effects from growth in a manner that facilitates inclusive objectives

PUSH/PULL RESOURCES

Pushing the Poverty Frontiers of Inclusive Value Chain Development is a briefing paper produced by ACDI/VOCA that presents some emerging guidance around how value chain development can explicitly ‘pull’ the very poor into markets in gainful ways.

www.microlinks.org/library/pushing-poverty-frontiers-inclusive-value-chain-development-briefing-paper

Pathways out of Poverty: Applying Key Principles of the Value Chain Approach to Reach the Very Poor, by Margie Brand and Ben Fowler, provides guidance on how value chain and market development core principles can be adopted when working directly with the very poor.

www.microlinks.org/library/pathways-out-poverty-applying-key-principles-value-chain-approach-reach-very-poor

Pathways out of Poverty: Tools for Value Chain Development Practitioners profiles tools that are applicable in the value chain selection and analysis phases of a project, as well as assessment tools that can be used throughout the project cycle.

www.microlinks.org/library/pathways-out-poverty-tools-value-chain-development-practitioners

Pathways out of Poverty e-Consultation includes a series of eight brief case studies of projects attempting to apply a push/pull approach, a screencast overview of the cases, and transcriptions and summaries of the two-day discussion.

www.microlinks.org/groups/e-consultations/e-consultation-pathways-out-poverty

Screencasts:

Including Labor in our Systems View of Markets and Poverty is a presentation by ODI’s Chronic Poverty Advisor Network and SDC Asia on the importance of including labor market development work in market systems development initiatives.

www.seepnetwork.org/blog/including-labor-systems-view-markets-poverty

Integrating Push into Pull: Experience from Practical Action and Fintrac is a presentation about integrating “push” interventions to strategically maximize the poverty-reducing and inclusive nature of market development efforts in Bangladesh and Honduras.

www.seepnetwork.org/blog/integrating-push-pull-experience-practical-action-fintrac

Pathways to Market Inclusion for Women: Experience in Gender-Sensitive Push/Pull Strategies from CARE and ACDI/VOCA looks at the multi-country Gates Foundation-funded Pathways program, and the role of collective action in empowering traditionally marginalized groups.

www.seepnetwork.org/blog/pathways-market-inclusion-women-experience-gender-sensitive-pushpull-strategies-care-acdivoca

Pathways Out of Poverty: Using Value Chains to Move Vulnerable Households Up the Economic Ladder looks how to use a combination of push/pull strategies that build on existing coping strategies and asset and income objectives to transition vulnerable households out of poverty.

www.microlinks.org/library/pathways-out-poverty-using-value-chains-move-vulnerable-households-economic-ladder-screencas