

MERCY CORPS
MARKET DEVELOPMENT
SECTOR OVERVIEW
2009



Photo: Miguel Samper for Mercy Corps

OPPORTUNITIES IN MARKET DEVELOPMENT

Introduction

Mercy Corps helps people in the world's toughest places turn the crises of natural disaster, poverty and conflict into opportunities for progress. Driven by local needs and market conditions, our programs provide communities with the tools and support they need to transform their own lives. Our worldwide team of 3,700 professionals is improving the lives of 14.5 million people in more than 40 countries. Access to and availability of adequate market resources and economic opportunities are key success factors for both relief and development programming. Mercy Corps currently operates upwards of 30 market development projects in over 27 countries worth approximately \$100 million dollars. These projects **support at-risk communities to sustainably develop strong market systems that increase incomes and productivity while reducing the effects and risks of disaster or conflict.**

It is estimated that almost half of the world's population, 3 billion people, live on less than \$2.50 per day.¹ As the global economic crisis continues to shrink domestic demand and investment in the developing world, **emerging market growth** is predicted to decline sharply from 6.1 percent in 2008 to 1.5 percent in 2009.² An example of this decline can be seen in Africa, where the IMF projects a decline in growth by 17 percent.³ While the downturn threatens the fragile livelihoods of low-income earning populations, the market development sector offers an effective leverage point to turn these challenges into opportunities. Working in transitional environments, Mercy Corps takes a progressive approach, supporting communities and entrepreneurs from relief to sustainable livelihoods to long-term economic growth. Every context is different, and programming builds on the unique economic potential of each country. Engaging with entrepreneurs and producers at the community level as well as with lead firms and policy makers, we help ensure poor families and vulnerable communities benefit from the increased revenues that result from market improvements and sector growth.

¹ World Bank Development Indicators 2008

² The World Bank, "Global Financial Crisis and Impact on Developing Countries," 2009.

³ International Monetary Fund, "World Economic Outlook," April 2009.



Photo: Geoff Oliver Bugbee for Mercy Corps

Market Development Sector Goal

Support at-risk communities to sustainably develop strong market systems that increase incomes and productivity while reducing the effects and risks of disaster or conflict.

Fundamental Market Approaches

Mercy Corps employs three main approaches throughout its market development programming. The first is a **pro-poor development** strategy that ensures that at-risk and marginalized populations are able to develop businesses and participate in market upgrading. Bridging the gap between more competitive economic actors and the economically disadvantaged alleviates tensions and ensures greater long-term sustainability and productivity.

The second principle of Mercy Corps' market development programming is a sustainable **market-driven** approach that leverages existing market forces and partnerships with the private sector. To ensure that increases in the supply of products and services are matched by corresponding market demand, Mercy Corps supports entrepreneurs to analyze market demand (volume, quality, price etc) before creating supply. This market-led strategy ensures projects capitalize on market-driven production to avoid market saturation or the wasting of valuable and often scarce human and natural resources.

Mercy Corps also takes a **multifaceted approach** to program interventions, simultaneously targeting actors and institutions at many levels along the value chain, offering adaptable and sustainable solutions for immediate relief and long-term growth. This diverse menu of initiatives provides market-upgrading resources at the local, national and international levels, strategies and support for start-up entrepreneurs, as well as development and recovery opportunities for established businesses. All of which encourages equal momentum for economic recovery and growth to all sections of the market.

THE CONTEXTS AND PEOPLE WE WORK WITH

Post Shock/Emergency

In a post shock or emergency context, such as the fragile time after an earthquake or civil war, market systems can be disrupted or stop functioning altogether. Goods and services are often hampered by shortfalls in demand or supply. The infrastructure and services that once supported markets are destroyed or function sporadically at best. However, support to local and traditional markets is a key access point to rebuild. Local markets and actors can be reliable and are often trusted given their historic standing. Working within the business community to improve existing systems and meet immediate needs can have far-reaching positive effects. These development opportunities offer a meaningful leverage point to help communities recover from shocks or emergencies.

Conflict

Transitional environments, whether undergoing political, economic or social upheaval, require forward-looking assistance to rebuild insecure markets. Mercy Corps supports communities and entrepreneurs through a sustainable progression of program interventions that evolve from immediate post-conflict recovery to long-term development. Re-establishing market-driven trade in an equitable way and providing the necessary business skills and resources can break the cycles of poverty, inequity and conflict while presenting opportunities to change the status quo.

Youth

Almost 30 percent of the world's 6.7 billion population are under 15 years old. This swelling demographic of energetic and impressionable young individuals is shaping the markets of tomorrow. Mercy Corps believes that youth are an integral part of rapid, sustained and broad-based economic growth. Youth bring the energy, optimism and drive needed to overcome and adapt to the challenges and opportunities of social entrepreneurship.

Women

Improving women's incomes has been shown to directly improve family health, access to education and general well-being. By working with women, not only is the immediate familial situation improved, but also through better health care and access to education, the next generation has a greater chance to move out of poverty. While women often have strong cultural and contextual pressures keeping them out of the market place, they can be some of the most dynamic and successful entrepreneurs. In countless cases, most strikingly documented in the financial services sector, women have been better savers and managers of credit than their male counterparts.

GLOBAL HEADQUARTERS

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**You must be the change
you wish to see in the world.**

~ Gandhi



Be the change