

Urban Messiness: Income generation in cities

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OUTLINE

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- Why urban and why now?
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History of M4P

- Market Systems Development was born out of finance and agriculture since the mid- 1980s

Why Urban & Why Now?

- As populations have grown, land has become saturated, and people have migrated from rural to urban areas, urban poverty has once again attained prominence in the eyes of donors
- Estimated that by 2030 all developing regions will have more people living in urban areas than rural areas
- The share of poverty in the developing world that is located in urban areas has jumped from 17% to 28% in the past 10 years
- Urban poverty poses unique challenges, as well as opportunities



Group Work 1: 15 mi

- A) Is the implementation of MSD income generation programs the same in rural and urban contexts?
- B) What are the differences? What are the challenges in urban contexts?
- C) What did your program or organisation do to address the challenges of urban contexts?
(please provide concrete examples)

LESSON 1: Different focus for impact (1)

- Rural income-generation programming
 - Thin markets
 - Limited number of market players
 - Small number of income-generation activities
 - Complexity of sectors limited
- Urban employment programming
 - Dense markets
 - Vast number of market actors
 - Great variety of income-generation activities

LESSON 1: Different focus for impact (2)

- Focus on cross-cutting sectors
 - Labour market systems (demand, supply, intermediation)
 - Low-skilled labour market systems
 - Informal norms/rules
 - Micro-enterprises (formal & informal)
 - Growth (job creating sectors)

Examples from the field

- Working in informal labour markets
 - Enabling youth to participate in the “gig” economy
- Working in micro-entrepreneurship
 - Strengthening micro-entrepreneurs’ access to finance

Group Work 2: 15 min

- A) What impacts diagnosis and interventions in urban contexts? (provide examples)? What are some key considerations?

LESSON 2: Different complex social structure and incentives

- Complexity in social interactions & behaviour (focus on the bottom half of the “donut”) as a key determinant of income generation
 - How people find out about job
 - How employers hire job-seekers
 - How labour market information is disseminated
 - How people access credits
 - How people obtain skills
- Urban areas are complex and heterogeneous: greater ethnic, national and religious variations, as well as greater inequality in wealth and power
- Social structures create constraints to income generation: we need to understand these constraints
- Understand people’s behaviours and incentives in addressing these constraints

Examples from the field

- Job preferences
 - Job preferences of women in Lebanon
 - Job preferences of youth in Liberia & Ethiopia
- Hiring practices
 - Hiring practices of Lebanese business owners
 - Fostering the creation of job-intermediation markets
- Working on informal rules & norms
 - Enhancing employment opportunities for marginalised youth (lack of social network; prejudice), e.g. refugee population in Lebanon & Jordan

Group Work 3: 15 min

- A) What are some important strategies for both diagnosis intervention where the urban context provides opportunities for different approaches than a rural context? (Provide examples)

LESSON 3: Different tools for implementation (1)

What is our strategy for diagnosis and intervention?

- **Diagnosis:**
 - Targeting hidden populations: women, youth, refugees
- **Examples from the field:**
 - Gathering at places where you know women will be present
 - Engage youth: Youth-led labour market assessments
 - Work in sectors critical for all groups in urban spaces such as solid waste management & recycling

LESSON 3: Different tools for implementation (2)

What is our strategy for diagnosis and intervention?

- Intervention:
 - Unique opportunity in testing what works and what doesn't
- Examples from the field
 - A/B on job intermediation (employment rates; job ads posted; new businesses using the services)
 - A/B on willingness to pay for childcare and resulting labour market participation

Conclusions

- Urban contexts are complex and dynamic
- Requires solid understanding of the informal rules and norms governing people in urban areas
 - What are their constraints in accessing income generating opportunities
 - How do they navigate these constraints; how do informal rules & norms affect people's behaviours in addressing these constraints; what are their incentives (financial and non-financial) in addressing these constraints
 - Capitalise on informal rules and norms (work within them) or challenge /overcome them
- Opportunities for different approaches for diagnosis & intervention

Thank you and questions?

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