

Household Resilience Strengthened by Market Systems





Markets help households to be more resilient BEFORE challenges hit, as well as DURING challenging times...



...and also AFTER the challenges pass, when they are starting to recover and rebuild.



BUT, on the whole, if a market is more resilient, it helps households to be more resilient too.



But, we usually think markets just take advantage of poorer customers ...

... trying to make as much profit as they can, as quickly as they can. Especially during a crisis ...



There will unfortunately always be examples of businesses trying to take advantage of communities during a disaster ...



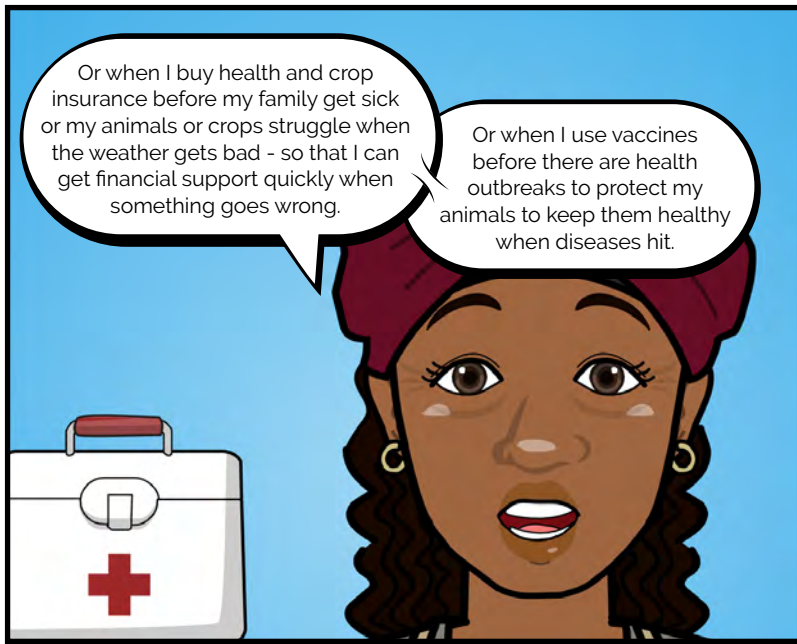
HOW MARKET SYSTEMS HELP BUILD HOUSEHOLD RESILIENCE

#1

Markets help households to **PROTECT** and **RECOVER** their wealth and health before, during and after challenges happen

Some things are important for households to have in place **BEFORE** something challenging happens - that can protect them from disaster or stop them from suffering or struggling as much. Businesses could prioritize selling these and promoting them to their household customers.

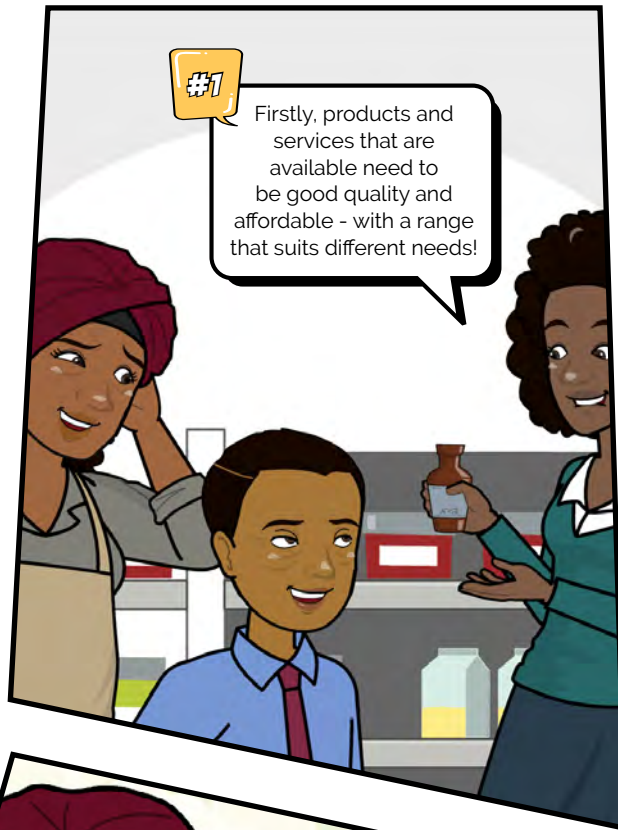






But, how can markets be even better at protecting and supporting households, and helping them to recover better?

HOW?



#1

Firstly, products and services that are available need to be good quality and affordable - with a range that suits different needs!



AATH...

...if I use good quality housing and construction materials my house and animal shelters might not get damaged as easily when bad weather hits!



I'll also cope better if I can get things like good quality private health care services, irrigation, agricultural inputs, veterinary services, insurances, financial services, and information services - all at prices that I can afford!



If I can get products and services that are affordable and the quality I'm looking for, and appropriate for my local context - then I'm more likely to have them in place BEFORE something challenging happens.



There is no perfect product or service. It's better for us to have a range to choose from. When I could only afford much less, I was happy to get a far lower quality. But I can afford a bit more now and it's nice to have other products that are a slightly higher quality.



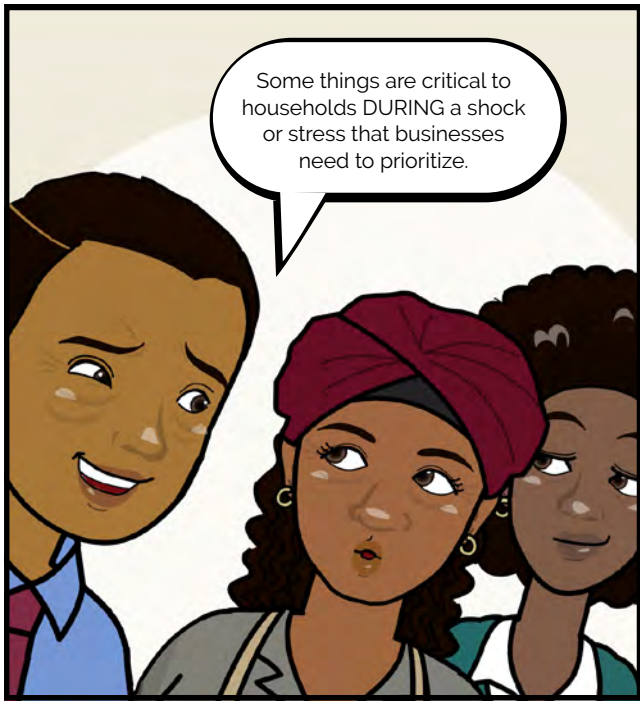
#2

Secondly, businesses need to connect to, and engage with households as valued customers.



This means that businesses can give their household customers information about challenging things that might be expected and how to plan for them.

This also means that businesses need to find ways to understand what their household customers need, how it can be distributed to them, and what info they will need to use it well!



Some things are critical to households DURING a shock or stress that businesses need to prioritize.



Like food, temporary shelter, and healthcare?

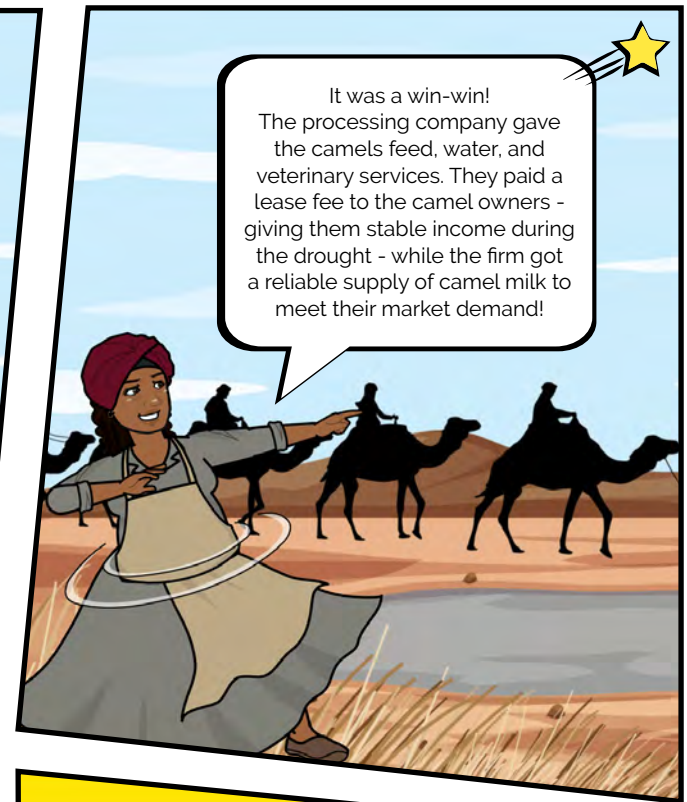
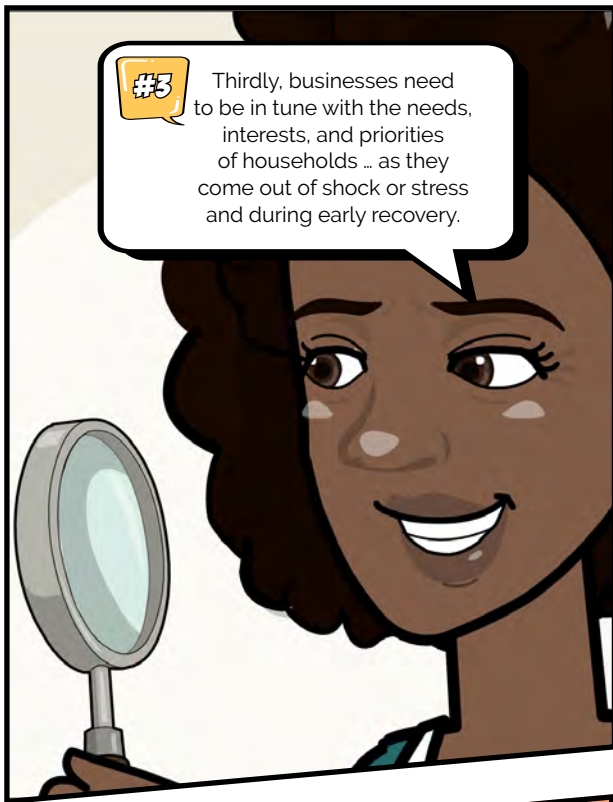


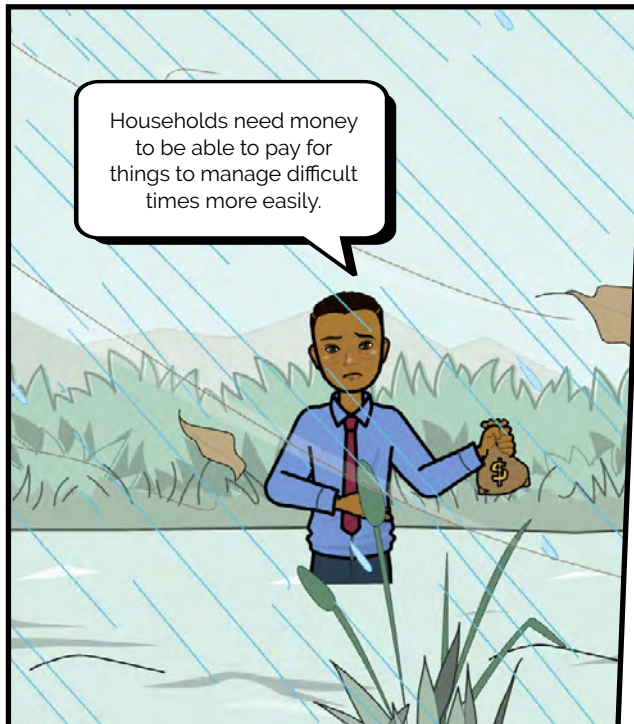
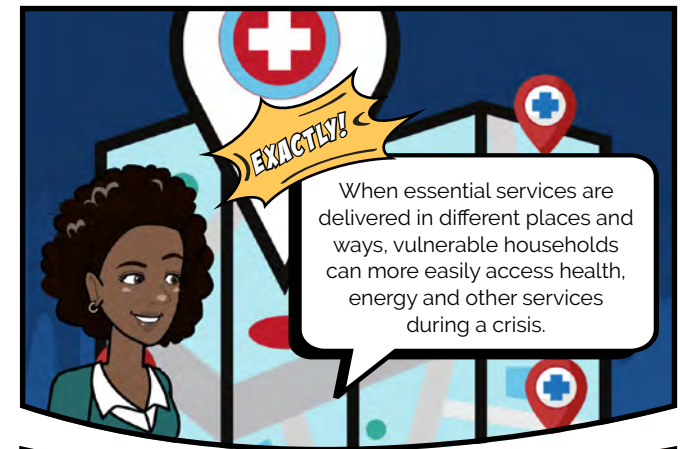
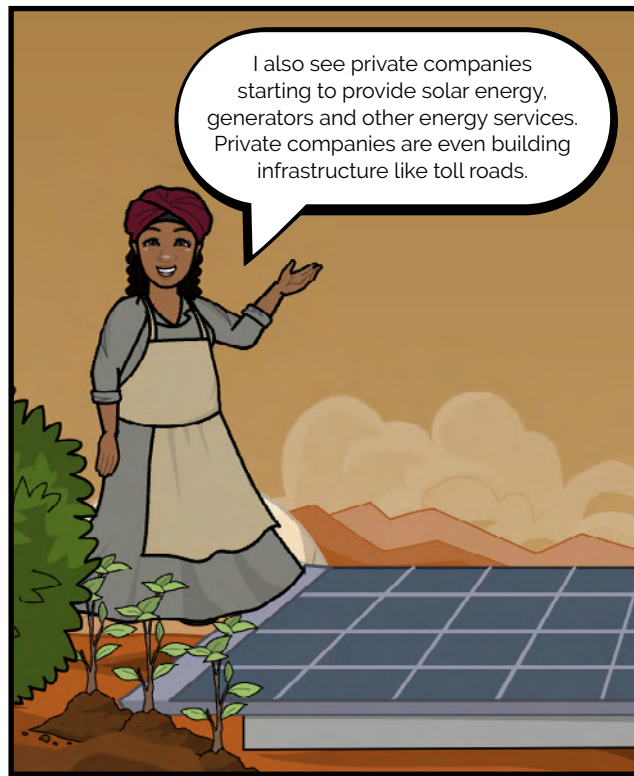
EXACTLY!

Other things are more important as they RECOVER.



Like construction, land preparation, agricultural inputs, and healthcare, that allow us to replace, re-start, and rebuild our health, homes, and livelihoods!







I need cash to build protection for my livestock and a place to store my harvested crops while the riots take place, or there is bad weather.



I need cash to buy food or medicines and get somewhere to shelter while the community rebuilds after an earthquake or during conflict.



So, how do markets help you do that?



I can sell crops, livestock or things I make to businesses.



I can work for a business to earn money.



I can take a loan from a bank or savings group to buy what I need.





The networks, connections and trust with other producers and businesses are critical in helping us be more resilient - as we used to rely only on our local friends and family for help during difficult times - but now even businesses we may never meet in person can see a reason for supporting us.



If households feel confident that they will be more supported if things go wrong, then they feel more confident investing time and money into longer term things.



I've started a new business deal with the store that buys and sells vegetables to people online - I'm going to work hard to become one of their long term suppliers! They're giving me advice on which types of vegetables their customers order most, and how they want me to package them.



It's such a relief not feeling so alone anymore. Businesses we supply to and buy from care and help when things go wrong.

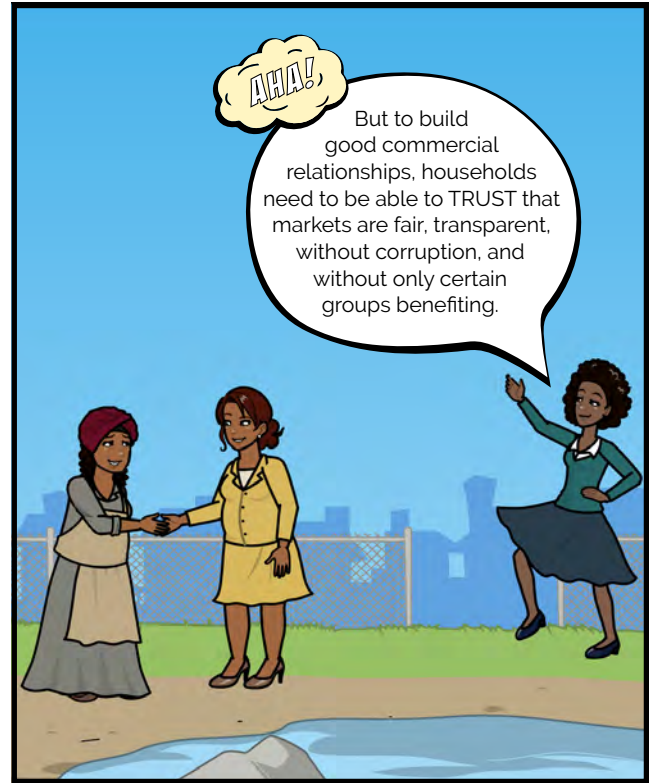
They pre-paid for our crops after disasters when we desperately needed cash. They helped source replacement farming equipment after the hurricane. They used special trucks to reach us.

We rebuild more quickly and start to plan beyond simply one day at a time with more businesses that care about and support us!



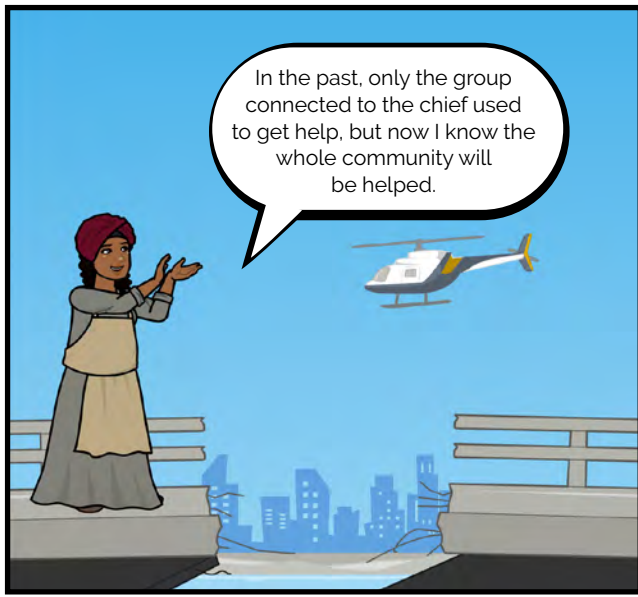
AHH...

I can even take the risk of starting a new small business, if I can no longer do what I was doing before...



AHA!

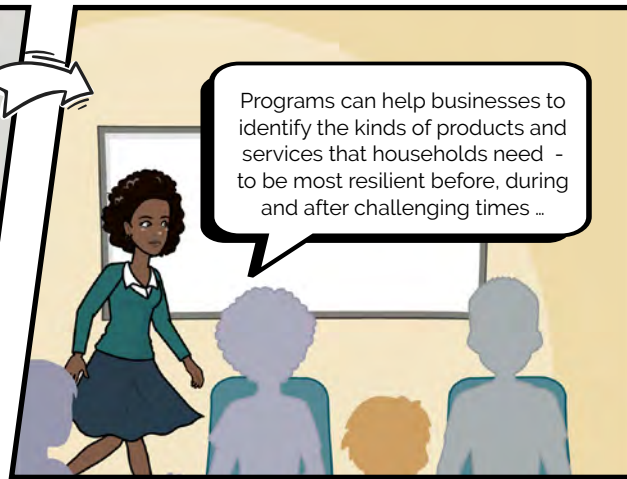
But to build good commercial relationships, households need to be able to TRUST that markets are fair, transparent, without corruption, and without only certain groups benefiting.



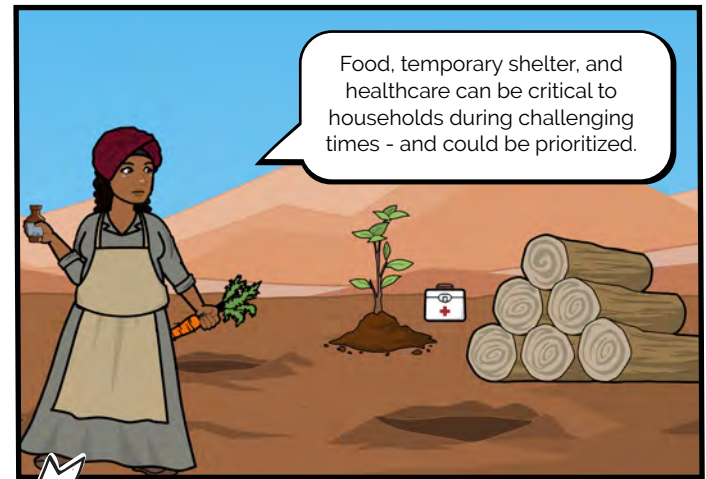


But, how can development programs help?

Sure, let's get practical! Let's chat about how development programs that support market systems help to build more resilient households.



Programs can help businesses to identify the kinds of products and services that households need - to be most resilient before, during and after challenging times ...



Food, temporary shelter, and healthcare can be critical to households during challenging times - and could be prioritized.



This way we can build better, direct relationships with the local shops and help to keep them in business throughout the crisis.



Programs can identify how essential products and services can get to households through existing businesses - or other market actors, wherever possible. They could help businesses to run promotions on products - maybe initially subsidizing some of the discounts or trial giveaways behind-the-scenes.



WOW!

We tried new products that were on promotion at the local store at a lower price! We even got some free samples to try out! After a disaster we got cash to buy goods and services from local stores.

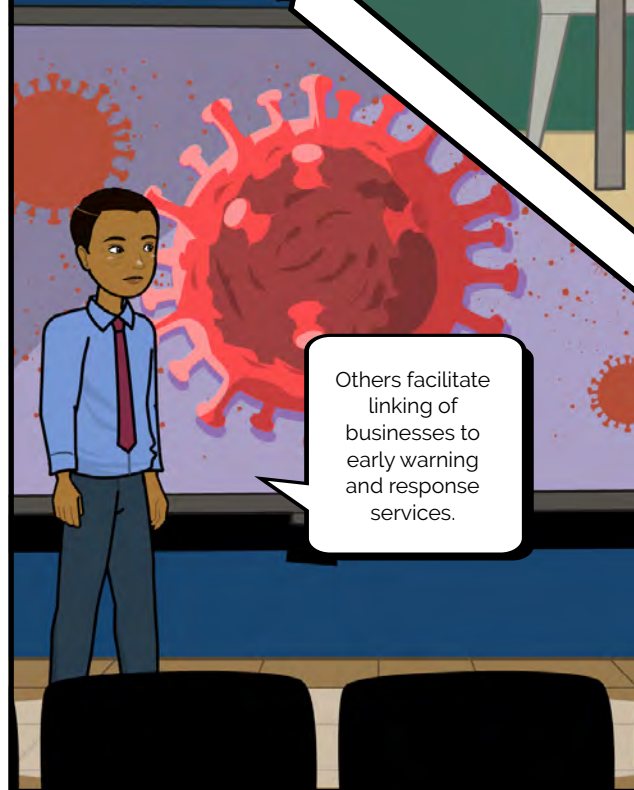
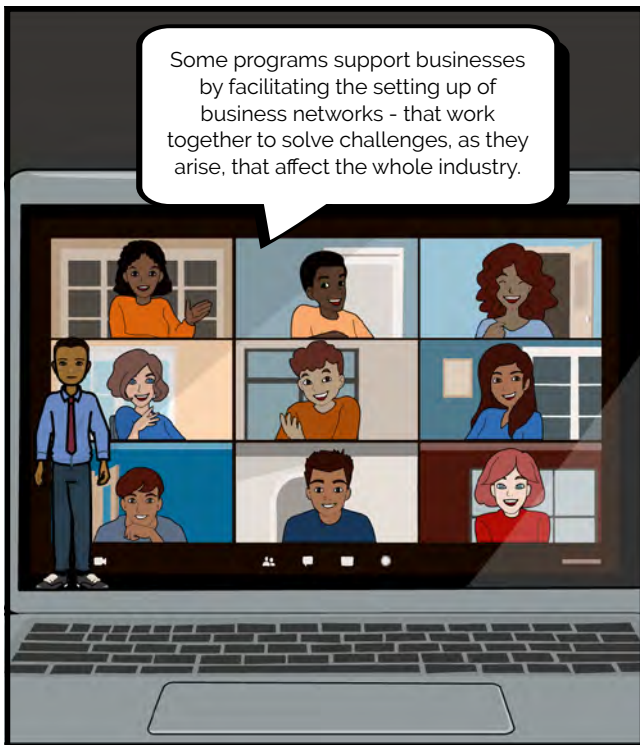


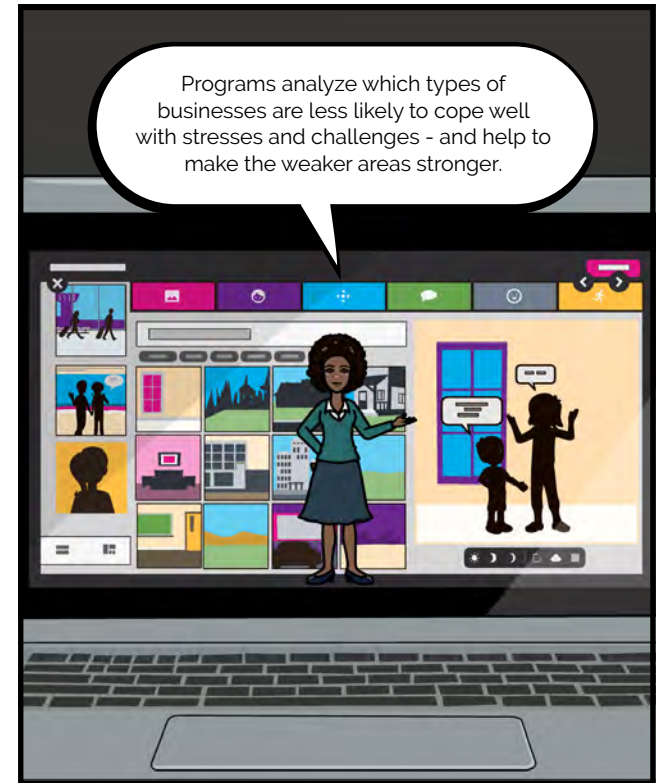
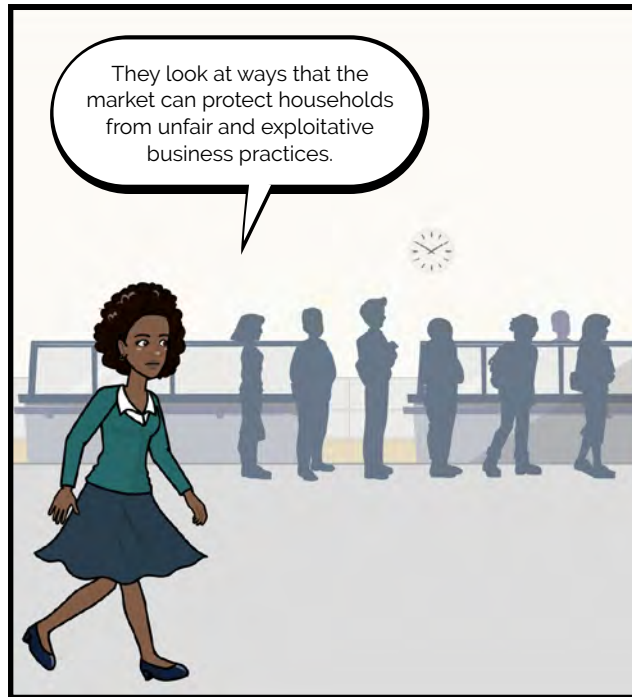
Shops can find out exactly what we need - and adapt what, how and where they sell to us over time.

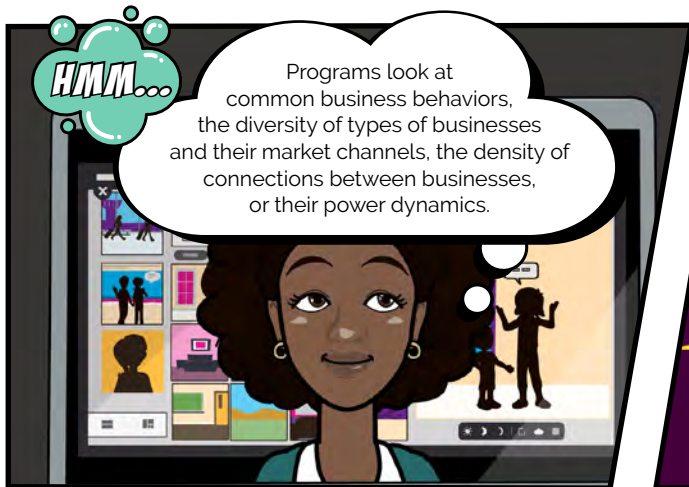


EXACTLY!

If programs bypass local stores and simply hand out things to households directly, businesses don't get the opportunity to learn from their customers' preferences and needs - to be able to effectively adapt to serve them better over time.







HOW TO USE:

The cartoon learning series can be used in individual or group settings as a learning and training tool for market development practitioners or donors. The cartoons can be given to new team members to review or be used to stimulate group discussion in training settings.

For example, in a training setting, you may choose to:

- Split up portions of the cartoon and use them iteratively in a slide deck to illustrate points, one-by-one. This cartoon can be split up into 6 parts: the introduction, the 4 ways that market systems build resilience, and the concluding section on what development programs can do.
- Ask participants to take on the role of the women and the man and read the speech bubbles out loud. This could be done in plenary or in small groups.
- Ask probing questions to help the participants make this personal. For example: What are some of the big risks facing households after regular or expected shocks affect them - that businesses could help with even before a shock hits?

KEY LEARNING:

- Household level resilience can be strengthened by applying a market systems resilience lens.
- Market systems help households:
 - to manage risks, protect assets, and support recovery before, during and after shocks.
 - to generate cash to better manage shocks and stresses.
 - by providing better risk management solutions by sharing risks at a higher level.
 - to plan and invest for the longer term.

RESOURCES:

This cartoon is part of a series of MSR resources and learning tools, accessible at <https://www.marketlinks.org/resources/market-systems-resilience-learning-resources-series>.

It forms part of the larger USAID cartoon learning series developed by the Vikara Institute, accessible at: <https://www.marketlinks.org/resources/cartoon-learning-series>.