

Editorial

'MARKET DEVELOPMENT', an approach to economic empowerment for the world's poorest, has been advancing steadily over the past two decades. In 2001, The Donor Committee for Enterprise Development (<http://www.sedonors.org/default.asp>) published a pivotal position paper *Guiding Principles for BDS* (World Bank, 2001). This document elaborated a programming paradigm that had been evolving through the 1990s and was characterized by two primary themes: the importance of non-financial services to the growth of micro and small enterprises (SEs), and the need to sustainably reach larger numbers of SEs with these services.

During the 1990s and leading to the publication, both international and regional conferences were convened to discuss 'BDS' (business development services), drawing from practical experience in the south, with leadership provided by DFID, Ford Foundation, GTZ, IADB, IFC/Mekong Project Development Facility, ILO, USAID and the World Bank. A draft of the *Guiding Principles* position paper emanated from these conferences with critical input from a range of institutions including the Springfield Centre, the ILO Seminar and the Small Enterprise and Education Promotion (SEEP) Network.

Since the publication of the *Guiding Principles* in 2001, the market development approach has continued to evolve a complexity and nuanced richness that is a typical feature of any maturation process. The focus on business services has expanded to take a systems perspective, enriched by ideas from KATALYST, the Springfield Centre, Action for Enterprise and the SEEP Network among others.

Implementing organizations around the globe, funded by government aid agencies and private foundations, as well as social enterprises such as Scojo Foundation and Kickstart, are applying market development approaches and are executing programmes that successfully integrate marginalized communities into effective market systems. For example, the approach has been customized and contextualized by practitioners representing SDC Philippines, Katalyst Bangladesh, ECDI Pakistan and FIT Uganda, among others. These programmes are referred to by a range of terms: pro-poor market development, value chain development, making markets work for the poor, M4P, enterprise development, business development services and so on. Certainly, market development comes in many flavours – not always recognizable by the selected moniker. It is not surprising that a market system that connects homebound women embroiderers from feudal areas of Pakistan to national and regional markets originates from a programme that looks quite different from one that links

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independent smallholder avocado farmers to a lead firm in Kenya that exports to Europe.

Whatever the name, the important thing we have learned as a community of practice is that the market development approach works. It proves that disadvantaged communities, when given opportunities and support, can be players and even drivers in the global economy. (Note that when producers sell into local markets, the contemporary flow of goods is such that they are still competing in the international arena – e.g. the leather *jooti* of rural India must compete with plastic sandals imported from China.)

A further aspect of this evolving field is that we see the market development approach being adopted by practitioners, in part or in whole, in other domains – health and education, humanitarian response, livelihoods and community economic development, recycling – as well as by large multi-sectoral NGOs such as CARE, Save the Children, World Vision, Aga Khan Foundation and Oxfam. At the same time, courses are being offered to practitioners, government officials and other stakeholders by training institutions: SAIS at Johns Hopkins University, EDA-Rural Systems India, the Springfield Centre, Action for Enterprise, ILO Distance Learning and the Microenterprise Development Institute of Southern New Hampshire University, and the Ghana Microfinance Institutions Network, among others.

And we are on the horizon of deeper and broader impact. For example, the market development approach has caught the interest of the Bill and Melinda Gates Foundation; a programme funded by Gates and recently launched by the SEEP Network to develop urban value chains is incorporating a specific learning programme on scale and sustainability for leaders in the field, asking important questions such as ‘How can we go from integrating 10,000 producers into viable markets to 100,000 or even 10 million?’ and ‘What is needed to ensure that these market systems are dynamic learning systems that respond to the market, and continue to flourish to the benefit of stakeholders including SEs?’.

The excellent work of the Springfield Centre has made a significant contribution to the advancement of market development worldwide. This issue of the *EDM* journal presents theoretical discussion and practical application of their particular brand of the methodology, and the success stories to which they have so greatly contributed. It is indeed exciting times in small enterprise development. We hope you enjoy this issue of *EDM* and look forward to your contribution to the next generation of market development.

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