

TTRI

Training for Township Renewal Initiative



Day 3 --- Economic Dimensions

Mark Napier: 31st October 2007



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

Introduction to Day 3

- Rolf Endres and Gail Shenker:
 - Labour markets
- Kecia Rust:
 - Housing finance and residential property markets
- Lauren Royston:
 - Understanding informal land market dynamics
- Francois Viruly:
 - Retail and service sector markets
- Mark Napier:
 - Financial markets
- Judi Hudson:
 - Small and medium enterprises

Day hosts



What is M4P?

- **Making Market Systems Work Better for the Poor** (M4P) is an approach that aims to accelerate pro-poor growth by improving outcomes that matter to the poor in their roles as entrepreneurs, employees or consumers of markets
- M4P focuses on changing the structure and characteristics of markets to increase participation by the poor on terms that are of benefit to them

Why promote M4P?

Drawing on a paper by Alan Gibson, Hugh Scott and David Ferrand (July 2004), the assertion is that the promotion of economic growth and poverty reduction “have achieved mixed results”. The authors urge that we support “approaches to development that have tapped into and shaped the power of markets” and which allow “poor people to contribute to and benefit from economic growth”.

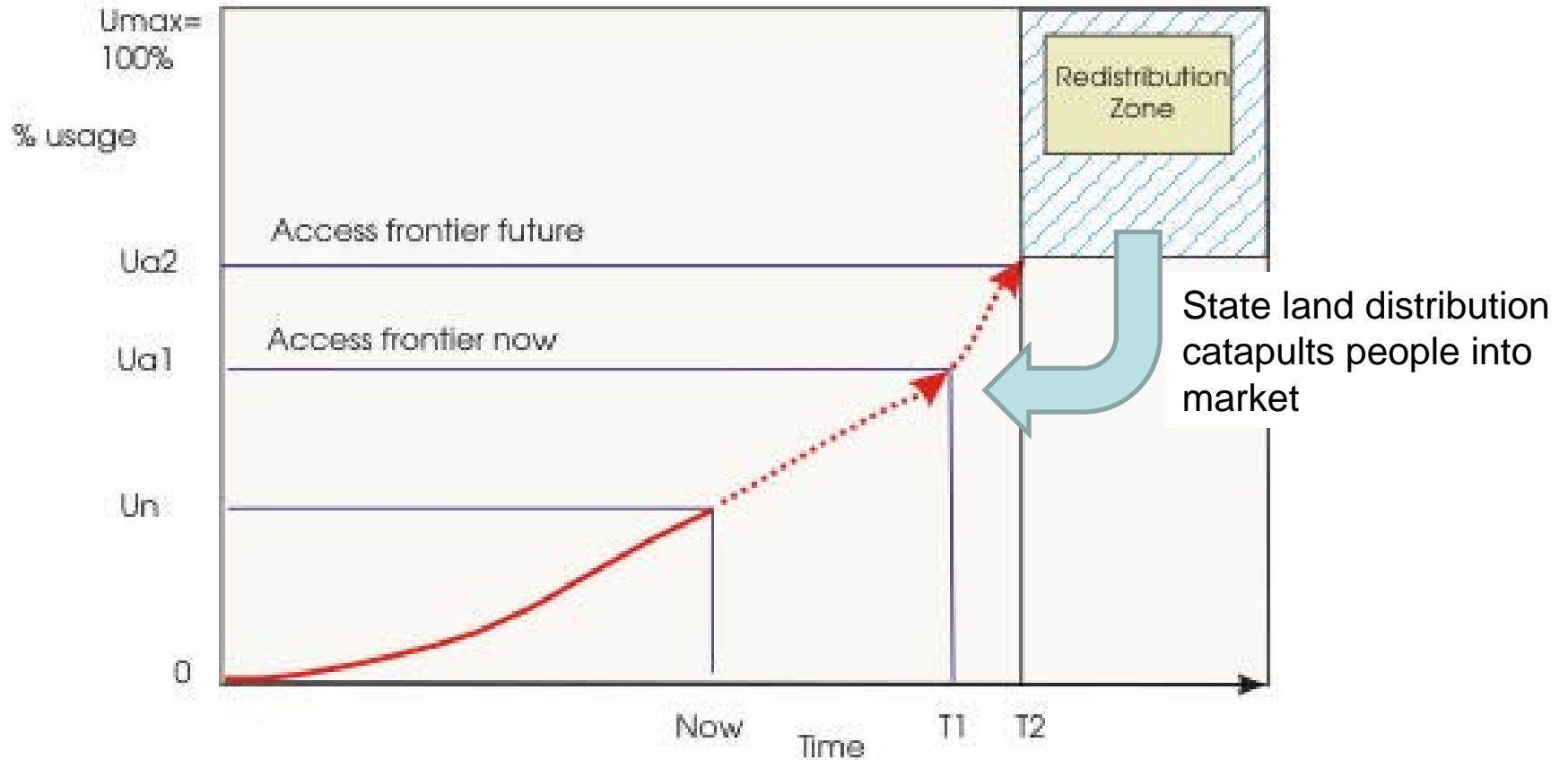
Applying M4P

M4P is an approach which:

- establishes where the poor are in markets,
- tries to understand the complexity of markets,
- builds realistic plans for how markets can work more effectively in the future, and
- sets out to address key impediments to a better functioning market.

“Governments have long recognised that market outcomes may not be pro-poor and have sought to intervene in markets. Unfortunately, traditional approaches to make markets work better frequently make things worse. This is because distortions are introduced that impair the efficiency of resource use and undermine growth. These distortions may reduce incentives for the private sector to grow and invest, and may not meet the needs of the poor. In the end, because of their costs, these interventions are not sustainable” (DFID, 2005).

The access frontier

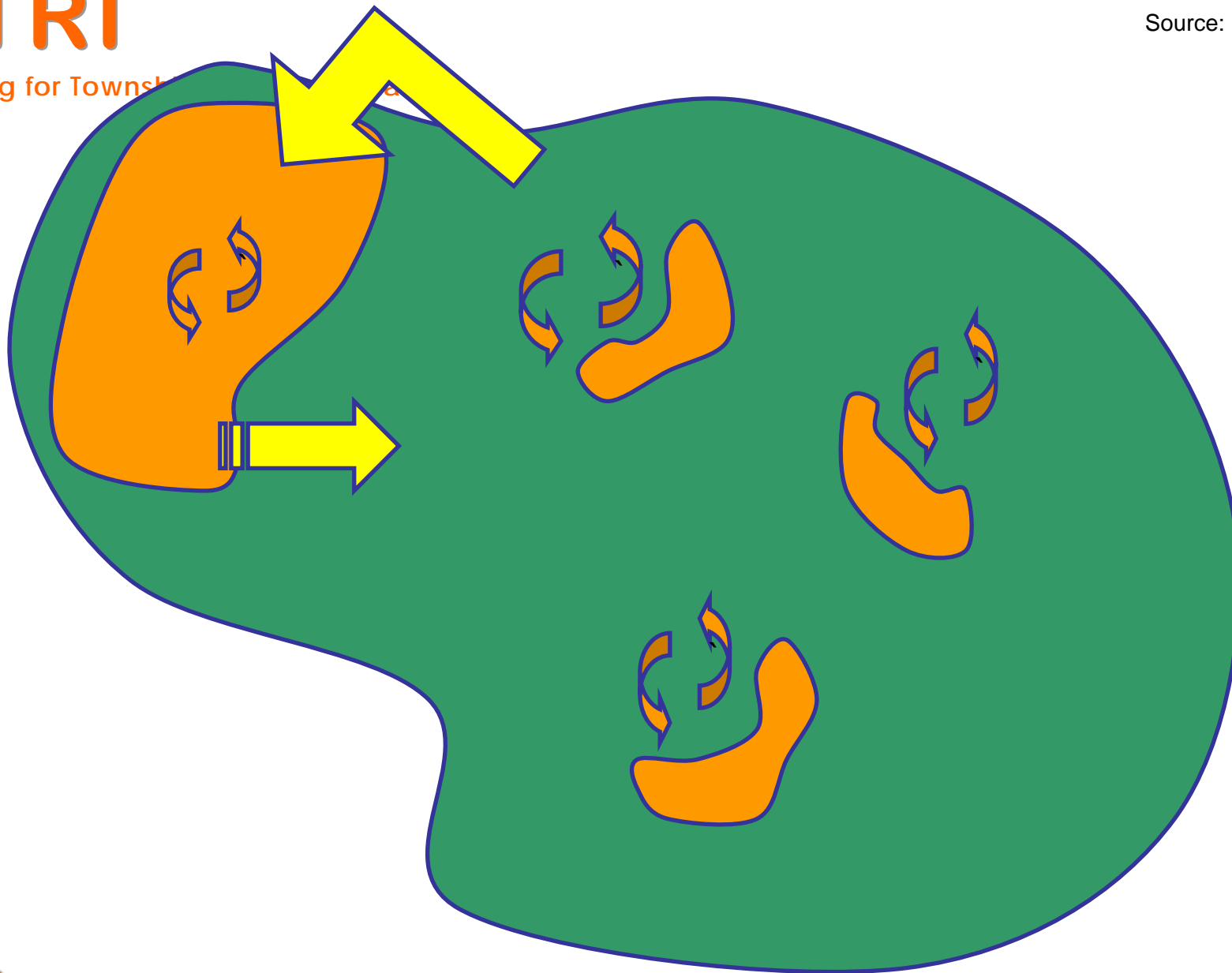


Source: Porteous 2004

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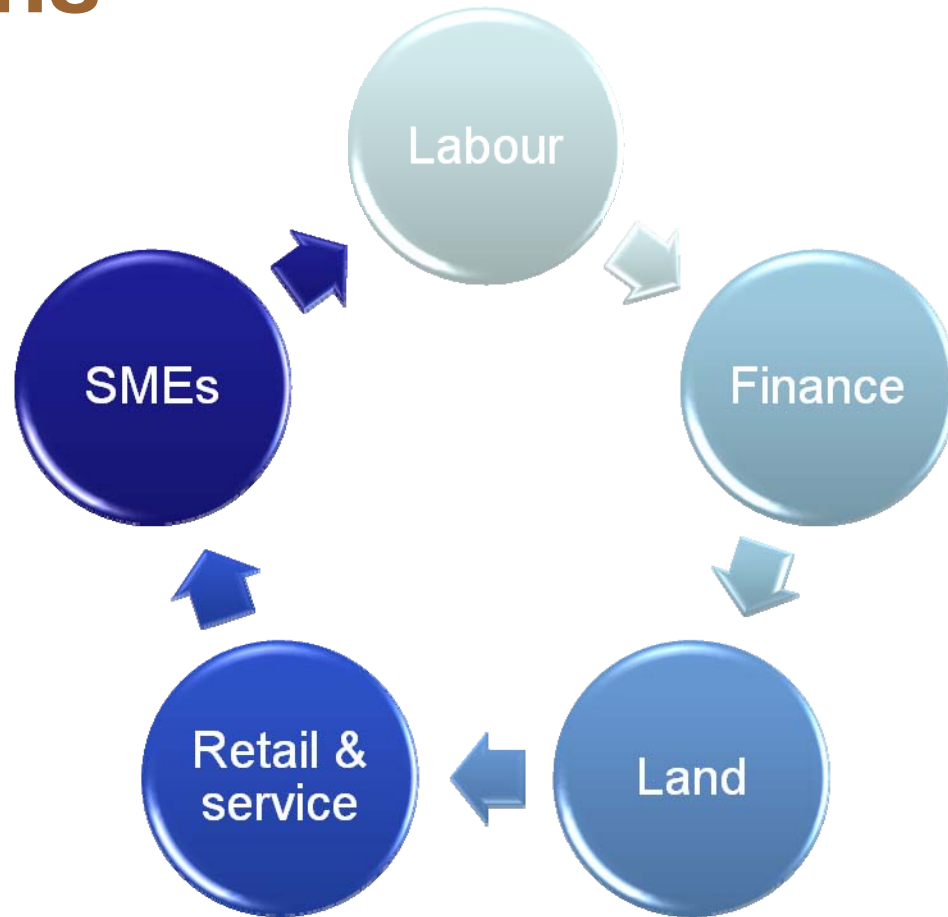
Source: Royston & Napier



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Dimensions



Presenter details

- Mark Napier
- Programme director: Urban LandMark
 - 012 342 7636
 - mark@urbanlandmark.org.za