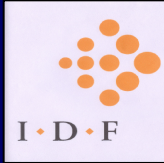


Markets for Development

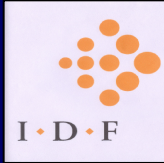
Shubhashis Gangopadhyay

November 26, 2003



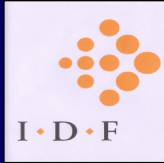
What are Markets?

- Buying and selling
- Contracting
- Contingent contracting



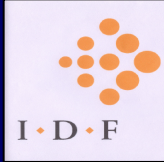
Why?

- Voluntary
- Diverse
- Self-sustaining

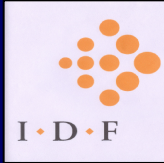


Complex Systems

- Access
- Information
- Awareness
 - Long-term effects
 - Aggregate effects
- Rural markets



- Fishing villages in Kerala
 - Perishable
 - Wastage and price volatility
 - Technology of cell phones
- e-chaupals
- IDE-I and water use



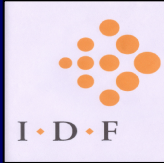
Markets for Development

- Health
- Education
- Employment
- Income



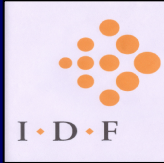
Village Kiosks

- Cost of setting up a health kiosk: Rs. 50 000
Break-even spend per person per month: Rs. 5
- Poverty line at Rs. 328 per month per person
- 1.5 per cent of total expenditure



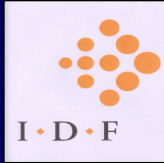
Risk

- Ability to bear loss
- High probability
- Correlated risk
- Exposure to risk
- Commercialization!



Alternatives

- Contract farming
- Micro-finance institutions
- Weather derivatives



THANK YOU