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Defining and assessing market system resilience: demystification is needed



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Einstein said it: *"In the midst of every crisis lies great opportunity"*. The COVID-19 pandemic has shown us that market system resilience is crucial.

Donors and programmes have embarked on developing frameworks to define and assess market system resilience. Great. Frameworks do help. So does using common sense.

Resilience is not a stand-alone topic

Too often we see vaguely defined system strategies and programmes that in practice focus on developing a large number of partnerships with companies, but without a vision and focus to make the system more resilient.

Building resilience is supposed to be part and parcel of your strategy to change systems. Let's hope that the call by donors to assess market system resilience leads to programmes developing more concrete and practical strategies that help make systems more resilient. Here's how common sense may help.

Start by answering two simple questions

1. What are the potential stressors and shocks that may affect the system?
2. How likely is it that they occur, and how significant might they be?

Answering the first question is best done in a brainstorming setting

We tested this in a **workshop setting** and within an hour the group identified a sensible set of stressors and shocks for the system we were targeting.

Yes, the first that came to mind is a pandemic. But there were more stressors and shocks that popped up when we were thinking of resilience in the maize system: global price changes for maize; change in other commodity markets that may affect the maize system (poultry, wheat); and disease outbreak – just to name a few. It's not rocket science, but it is system-specific!

Answering the second question might be a bit tricky in practice

How to know if shocks will happen or not? How to know how severe their impact may be?

It's probably best done by having a good understanding of the system and its context, coupled with lots of reasoning and debating. It certainly should not lead to a mechanical and numerical exercise. Instead, the answers should help you to assess and explore the major 'gaps' in the system. Gaps that your strategy should address.

So, most important is then to discuss 'what can we do about it?'

In other words, to translate the 'resilience gaps' into 'intervention areas' that your system strategy will address.

For example:

- How can the system's learning ability be improved?
- How to ensure healthy competition?
- How to improve coordination among system actors?

For the maize system we looked at various opportunities, including: diversification; improving R&D on disease resilient maize varieties; and improving coordination among public stakeholders to react swiftly to changes. Market system resilience is then embedded in your strategy and not an additional reporting requirement. The trick is, of course, to identify the underlying causes of these gaps, not just the temporary, superficial blockages.

There are emerging frameworks and guidance for defining and assessing market system resilience

Frameworks aim to help programmes define, assess and increase market system resilience. They draw attention to important aspects of system resilience such as

connectivity, collaboration, market powers and learning ability. Yet, as we have seen with other frameworks, the risk is that programmes apply them blindly.

That would be a missed opportunity: resilience is probably one of the most important aspects of market system development. It deserves so much more than ending up as another storybook full of buzz words.

Market system resilience is the responsibility of programme managers

Results measurement experts may help assess changes, but it's the responsibility of programme managers to address market system resilience for the systems they target to:

- › ensure that system strategies target system resilience
- › develop a diverse range of partnerships that together lead to system changes
- › address crucial functions and elements of a resilient market system

Please keep your eyes on the system and use your common sense when working on system resilience.

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