Market analysis

Diagnosing root causes

The disadvantages poor people face in markets are often symptoms of more fundamental market malfunctions – the root causes. Root cause analysis is a method that will help you understand the causes of market malfunctions so you can differentiate between immediate symptoms and their deeper causes.

> **M4P Operational Guide. Chapter 2 - Diagnosis**
>
> Core principles and frameworks for diagnosing system constraints.

There are a number of tools to help you uncover the root causes. The 5 Whys method asks a series of 'why' questions to uncover the problem.

The example shows this type of thinking in action. Imagine each arrow represents a 'why' question and you can see how this type of thinking gets you to a deeper understanding of the causes behind the problem.
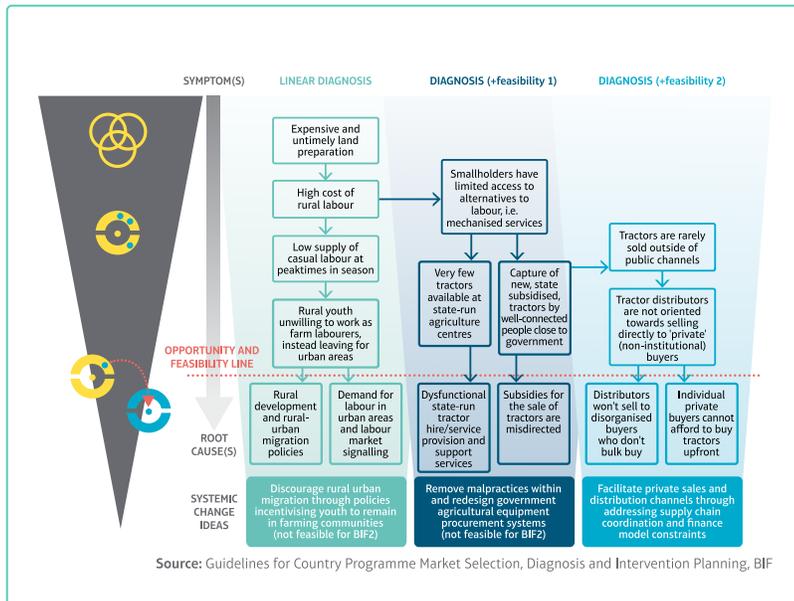
5 Whys method

Causality trees show what is feasible in the market so your efforts are not 'wasted' on pursuing systemic constraints that you cannot address. In the example below, the analysis began with the diagnosis of expensive and untimely land preparation. This led the team to consider a lack of labour as a cause, which ultimately led to identifying rural-urban migration as a *root cause*. This structural issue could not be addressed by a short four / five year market systems programme,

which eventually opened up opportunities for improving the market for local tractor sales.

Causality tree: access to mechanisation

Despite its name, root cause analysis will often not reduce any one problem to one specific root cause. Root cause analysis is a thinking exercise to help you and your team ask a deeper set of questions about market failures. It is impossible to have perfect knowledge of a market that is continually changing!

Guidelines for country programme market selection, diagnosis and intervention planning

How one programme pinpoints root cause issues and identifies points of leverage for the intervention.

<   Step six of eight   >