

Market systems change rubric

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Market systems change rubric – uses and audiences

This rubric was developed in 2020 and tested in 2021¹. The rubric builds on systems change thinking and frameworks from two FSG publications². The rubric can be used at different stages of programme or intervention implementation:

- Pre-intervention – to conduct an assessment to understand the baseline; inform expectations about the desired outcomes and level of change;
- During intervention – to conduct progress assessments; to be the basis for learning discussions that seek to test assumptions, reflect on the effectiveness of interventions to change systems and inform decision making.
- Post intervention – to conduct assessments; to be the basis for learning discussions that seek to test assumptions, reflect on the effectiveness of interventions to change systems and the degree to which changes may be sustainable; and make judgements about whether interventions were valuable given the resources, time and effort spent compared to the systems change that materialised;

It may be used by:

- Implementation managers and teams, internally or with other stakeholders, to increase understanding about the type and depth of systems changes that may be feasible, increase understanding of why parts of a system a program may be seeking to change and how that relates to other parts of a system.
- By M&E teams to decide what data may need to be collected and from whom; and support the synthesis of qualitative and quantitative data and analysis to support learning and decision making.

1. The rubric was used in 2021 for the evaluation of ELAN's work, funded by FCDO, in the renewable energy sector in DRC. The evaluation was carried out by the Decision Support Unit managed by Oxford Policy Management. The rubric was developed by Donna Loveridge with feedback from Jon Mitchell, Sadia Ahmed and Hamish Colquhoun.

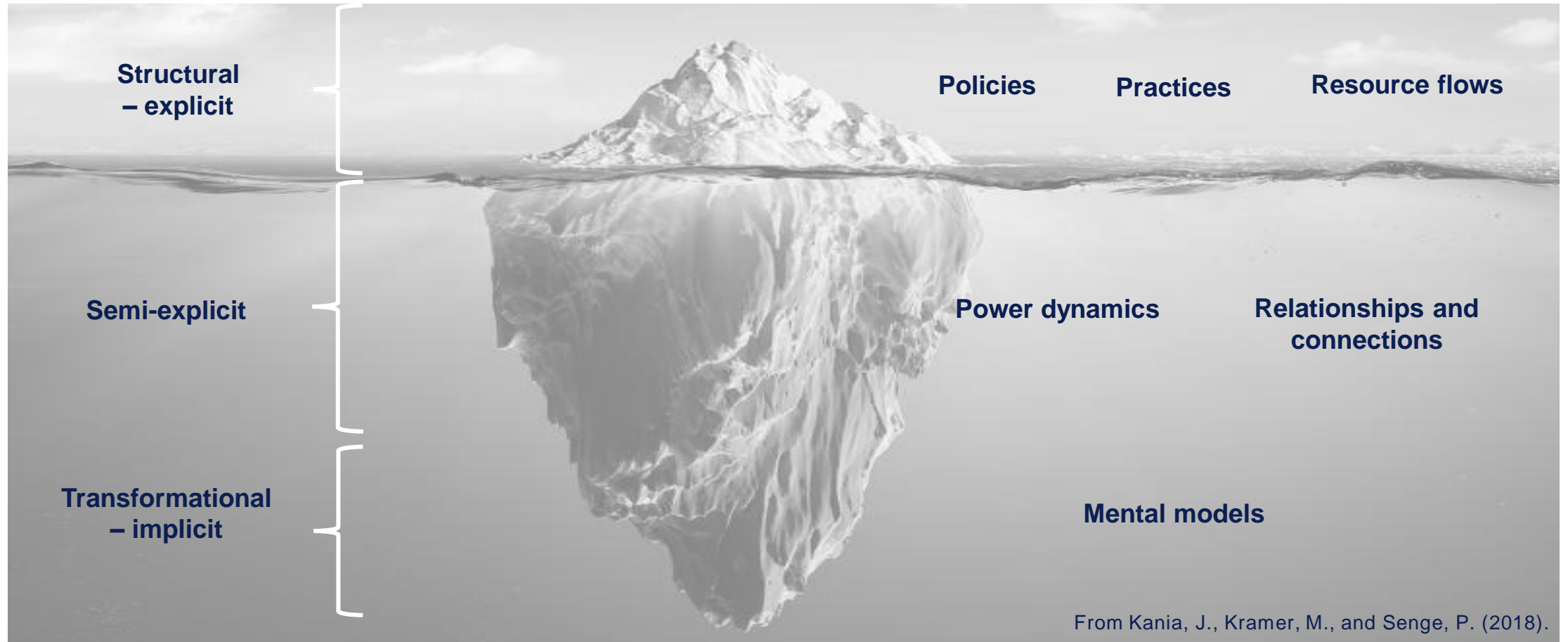
2. Koh, H., King, S., Irfan, A., Agarwal, R., Dayal, A and Brown, A (2017). *Shaping Inclusive Markets. How funders and intermediaries can help markets move toward greater economic inclusion*. FSG; Kania, J., Kramer, M and Senge, P (2018). *The Water of Systems Change*. FSG.

The rubric is based on 6 system dimensions

- **Policies:** government, institutional and organisational rules, regulations, and priorities that guide the entity's own and others' actions.
- **Practices:** activities of institutions, coalitions, networks, and other entities targeted to improving social and environmental progress. Also, within the entity, the procedures, guidelines, or informal shared habits that comprise their work.
- **Resource flows:** How money, people, knowledge, information, and other assets such as infrastructure are allocated and distributed.
- **Relationships and connections:** quality of connections and communication occurring among actors in the system, especially among those with differing histories and view points.
- **Power dynamics:** The distribution of decision-making power, authority, and both formal and informal influence among individuals and organisations.
- **Mental models:** deeply held beliefs and assumptions and taken-for-granted ways of operating that influence how we think, what we do, and how we talk.

From Kania, J ., Kramer, M., and Senge, P. (2018: 4).

System dimensions and levels of change



Structural explicit system changes

	1) Beginning	2)	3) Strengthening	4)	5) Significant
Policies	There is no or little awareness of the need for or benefits of a rule change. Or there are no active efforts to achieve a rule change.	There is some awareness of the need for or benefits of a rule change and some early efforts by a limited number of actors to achieve a rule change.	Desire for an inclusive rule change has begun to increase and various proposals are being discussed.	Notable progress is made towards formalising pro-inclusive growth rule changes e.g. draft policies, legislation or regulations.	A significant pro-inclusive growth rule change has been made and interest in the issue is beginning to grow and strengthen
Practices	Negligible presence of inclusive business models or practices in the market.	There are a limited number of inclusive business models in the market but they are not wide spread.	Several inclusive business models or practices in the market.	Significant presence of inclusive business models or practices in the market.	Dominant, widely adopted inclusive business models or practices in the market
Resource flows	Negligible or single examples of investment plans and investments of market actors (government and private).	A limited number of investment plans and investments of market actors (government and private) are being made.	Several market actors are making moderate to large investments, relative to their size and role in the market and others are planning to invest.	Many market actors are making moderate to large investments relative to their size and role in the market, but the investment may not be spread across all sizes/roles of market actors.	Wide-spread investment (financial and non-financial markets) by a range of market actors that is significant according to their role in the market.

Semi explicit system changes (1)

	1) Beginning	2)	3) Strengthening	4)	5) Significant
Relationships and connections	<p>Marginalised groups' (customers, suppliers etc) linkages to market actors, always or nearly always short-term (spot market), devoid of trust and on disadvantageous terms.</p> <p>The number, volume and frequency of transactions between market actors including marginalised groups are limited.</p> <p>Marginalised groups never or rarely participate in policy change processes. May never be informed or informed after changes are made.</p>	<p>A limited number of examples of relationships between market actors based on long-standing mutual trust; with terms that generate greater benefits for marginalised groups.</p> <p>The number, volume and frequency of transactions between some market actors, including marginalised groups small.</p> <p>Limited information is provided to marginalised groups on policy changes or consultation in policy processes.</p>	<p>Several examples of relationships between market actors that are long-standing and based on mutual trust with terms that generate greater benefits for marginalised groups, and which combine a range of services.</p> <p>Several number, volume and frequency of transactions between market actors including marginalised groups are limited.</p> <p>Some marginalised groups (customers, suppliers etc) are informed of policy changes and/or limited consultation with marginalised groups during policy processes.</p>	<p>Significant presence of long-standing, trust-based relationships between market actors including marginalised groups with favourable terms for marginalised groups.</p> <p>The number and volume of transactions between a range of market actors, including marginalised groups, are many and frequent.</p> <p>Government officials and market actors use a variety of mechanisms to involve marginalised market actor groups in policy change processes.</p>	<p>Dominant, wide-spread practice of long-term relationships, built on trust and loyalty between market actors, including marginalised groups (customers, suppliers etc).</p> <p>Marginalised groups are nearly always consulted and involved in policy changes.</p>

Semi explicit system changes (2)

	1) Beginning	2)	3) Strengthening	4)	5) Significant
Power dynamics	<p>All or nearly all marginalised groups lack organisation and participate in markets (as workers, consumers, producers, business owners) on terms that do not or only in limited ways benefit them.</p> <p>All or nearly all marginalised groups are unable to negotiate terms of transactions or select favourable transaction parties.</p> <p>Very few market players have the freedom to choose between different types of products, qualities, prices</p> <p>There are no constraints on the powerful from exploiting their position.</p>	<p>Few poor and marginalised groups can negotiate their participation in markets (as workers, consumers, producers, business owners) in ways that they realise equitable benefits.</p> <p>A few market players have the freedom to choose between different types of products, qualities, prices</p> <p>There are limited constraints on the powerful from exploiting their position.</p>	<p>Some poor and marginalised groups can negotiate their participation in markets (as workers, consumers, producers, business owners) in ways that they realise equitable benefits.</p> <p>Some market players have the freedom to choose between different types of products, qualities, prices</p> <p>There are some constraints on the powerful from exploiting their position.</p>	<p>Many poor and marginalised groups can negotiate their participation in markets (as workers, consumers, producers, business owners) in ways that they realise equitable benefits.</p> <p>Many market players have the freedom to choose between different types of products, qualities, prices.</p> <p>There are several effective constraints on the powerful from exploiting their position.</p>	<p>Dominant, wide-spread evidence of a more equitable power relationships between different market actors and based on terms beneficial for marginalised groups (as workers, consumers, producers, business owners).</p> <p>Constraints to limit the powerful from exploiting their position are effective and trusted by a range of market actors.</p> <p>Most individuals and businesses have knowledge of the market rules and norms to help them make informed decisions as workers, consumers and business owners.</p> <p>Widespread examples of win-win relationships despite differences in power.</p>

Implicit transformational system changes

	1) Beginning	2)	3) Strengthening	4)	5) Significant
Mental models	Desired norms are accepted by only a small minority in society. They do not exert no pressure on market players.		Desired norms are widely accepted but contested, and exert some pressure on market players.		Desired norms are almost universally accepted, and most market players are forced to respond to them.

Thank you



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