Beyond gendered social norms - institutional biases and market norms

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Systems, Norms and Markets

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Why Norms in Market Systems?

**Norms** > key indicator for **depth** of systemic change

Disrupting System Dynamics Framework

1. Boundaries

2. History & Conditions

3. Interventions

4. Agent Level

5. Collective Level

6. Developmental Impacts on Target Populations

Source: Cislaghi and Heise (2017); Measuring social norms: A learning report. London: LSHTM
The interaction between individual behaviors and collective behavioral “rules” that shape:

a) how people behave and;

b) how people expect others to behave

In order to either maintain or change how agents engage with markets.

Social and Market Norms?

1. Are all norms inherently social?

2. Is there a distinction between social and market norms, and is it helpful?

3. Example please!
What does this mean for practice?

Shooting Free Throws
So what does this mean for market systems programmes?

- Social norms and economic incentives interact to influence behavior.
- Providing good information and demonstrations to people is not always enough to change behavior.
- Collective rules and expectations have a strong influence on people’s behavior.
- We have to understand the strength or the “stickiness of norms” and incentives to know how to influence them.
Moving forward we should consider...

- Do not assume providing good information and a demonstration is enough.
- Identify potential social norms and economic incentives that could be constraining positive change.
- Look at social norms from a community / collective perspective, not only at individual beliefs.
- Once you name the norms, identify the different reference groups that influence these norms.
- Unpack each reference groups’ incentives to support or sanction changes from a social, economic and moral standpoint.
- Understand bias as they pertains to norms (current situation, etc)
- Understand the potential sanctions and risks that come with promoting changes to social norms and behaviors in markets.
- Expect unexpected changes and be ready to learn and adapt!
Thank you!

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Market Systems Approach and Informal Norms
Markets are complex social systems

**Flows**
- Information/finance
- Circulation
- Direction

**Structures**
- Diversity
- Distribution
- Bridging

**Rules**
- Informal
- Formal
- Feedback/enforcement

**Biases**
- Authority
- Loyalty
- Relative value
Biases in market systems

More extractive  More inclusive
Inclusive market systems defined

Business Strategy Bias

Loyalty / Patronage Driven

Merit / Interest Driven

Value Add

LOYALTY driven

INCLUSIVE Market Systems

EXTRACTION driven

INTEREST driven

Relational Network Bias
# Informal norms and market systems

<table>
<thead>
<tr>
<th>Informal Norm</th>
<th>AVC Entry Point</th>
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<tbody>
<tr>
<td>Individual and Firm</td>
<td>Gender Norms</td>
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<tr>
<td></td>
<td>Firm level</td>
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<td></td>
<td>customer/supplier churn, firm hiring practices</td>
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<tr>
<td>Hierarchy/social mobility</td>
<td>Gender norms, disputes patterns, entrepreneurship patterns, HR patterns</td>
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<tr>
<td>Cooperation/competition response</td>
<td>Disputes patterns, VC governance, cooperation drivers, competitive advantage drivers</td>
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### Informal norms and market systems

#### Value Addition/Growth Biases

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<tr>
<td>Firm growth</td>
<td>Governance patterns, marketing/branding practices, investment patterns, success metrics, HR performance metrics</td>
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<tr>
<td>Customer relationships</td>
<td>Market research investments, customer service practices, marketing/branding practices</td>
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<tr>
<td>Supplier relationship</td>
<td>Supplier performance practices, supplier co-investment patterns, disputes patterns</td>
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<tr>
<td>Cooperation and competition response</td>
<td>Firm response patterns to joint threats and opportunities, firm response to competitive pressures</td>
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Network biases and the related informal norms are more rooted/difficult to change

Churn data and the disputes/VC governance findings both indicate norms that create barriers to entering new networks/relationships
AVC’s adaptive response

• Increased role of stakeholder methods to deal with threats and opportunities
• Increased role of lead firms as a means to improve VC governance – i.e., increased transparency and merit based relationships
• Increased role of specialized services markets for ag:
  – Ag: spraying, land prep, harvest, post harvest, transport, etc.
  – BDS: marketing, finance, ICT, research, etc.
• Increased role of emerging entrepreneurial eco-system including SME cluster/network platforms, venture capital, and accelerator models
• Increased role of leading commercial associations around networking, conveying, and advocacy functions
Durably changing informal norms requires effective adaptation

- Adapting strategically around bias change goals
  - Managing market actors via self selection for results (i.e., expanding effective commercial networks)
  - Aligning informal change across scales to affect rooted biases – adjusting facilitation targets
Thank You
Q&A

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Further Information

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