Measuring Market Resilience to Shocks and Stressors

A hallmark of iDE's approach is a laser focus on market ecosystem development. We believe that strengthening markets promotes household resilience through income generation, improved food security, and increased employment opportunities. However, for the benefits of an inclusive market system to be sustainable, the system itself needs to withstand, react, and transform in the face of climate change, conflict, and other shocks and stressors. In 2020, iDE formally launched the Market System Resilience Index (MSRI). The landmark index enables us to measure the strength of relationships among participants within a market system, helping us adapt our approach and direct our efforts to building relationships where necessary. We can now hold ourselves and our partners accountable to implementing better development work while accelerating our pace towards ending poverty.

How Resilience is Calculated

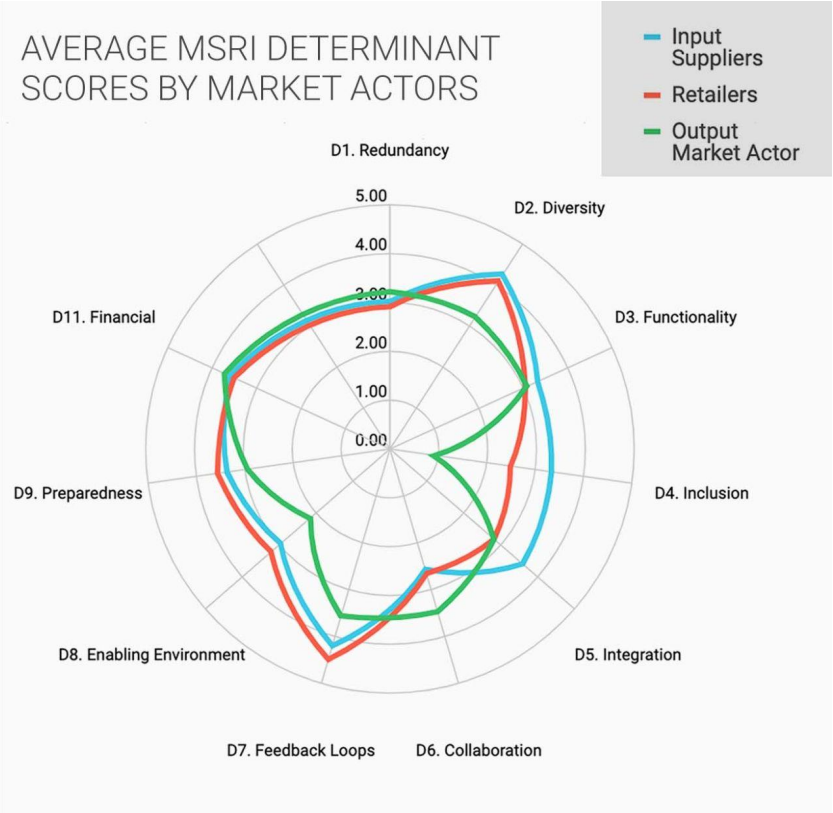
A market's resilience is measured by examining 11 equally weighted determinants, broken into five principles. The determinants are derived from academic literature. iDE numerators conduct a survey of households and relevant market actors, asking about 100 questions, which probe the strength of the determinants within a geographically defined market. Answers are scored on a one through five rubric, depending on a determinant's detected strength, with five being the highest. Several hundred respondents are asked about a range of topics including basic personal details, what crops and livestock they farm, their access to value chains and services, and what shocks and stressors they've experienced. Answers are recorded on smartphones and automatically tabulated. The sum of the answers provides a score for each determinant, as well as an averaged overall score.

MSRI Principle	MSRI Determinant	Determinant Definition
1. STRUCTURE OF THE MARKET	1.1 Redundancy	Surplus of market actors performing same functions in market system
	1.2 Diversity	Diversity in market system value chains, and in available market channels
	1.3 Functionality	Flow of goods and services in, out and through market spaces
2. CONNECTIVITY OF THE MARKET	2.1 Inclusion	Participation of women and other systemically excluded groups in system
	2.2 Integration	Different groups' involvement in relevant processes
	2.3 Collaboration	Collaboration among actors of the chain
3. SUPPORT OF THE MARKET	3.1 Feedback loops	Ability to learn from experience through control mechanisms
	3.2 Enabling environment	Transparent market governance is in place
	3.3 Preparedness	Ability of the system to promptly react to disturbances
4. ENVIRONMENT	4.1 Physical environment	Environmental condition of the market area
5. FINANCIAL	5.1 Financial viability of market actors	Financial sustainability of market actors' activities

What the Index Has Shown

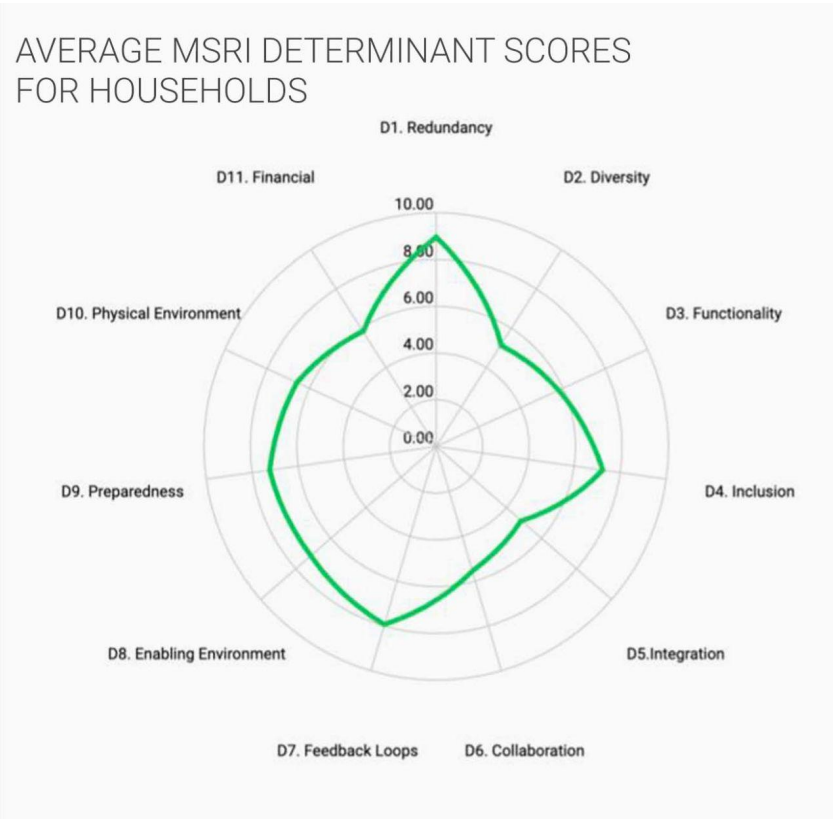
MOZAMBIQUE

Application of the MSRI in Mozambique's Beira Corridor, which is recovering from a series of cyclones, found that market actors showed more resilience than households to the cyclones, and that among market actors, input suppliers had higher resilience scores than retailers and output market actors. Low resilience levels in households were driven by poor market inclusion, integration and collaboration, suggesting low participation of women and vulnerable groups in the market system.



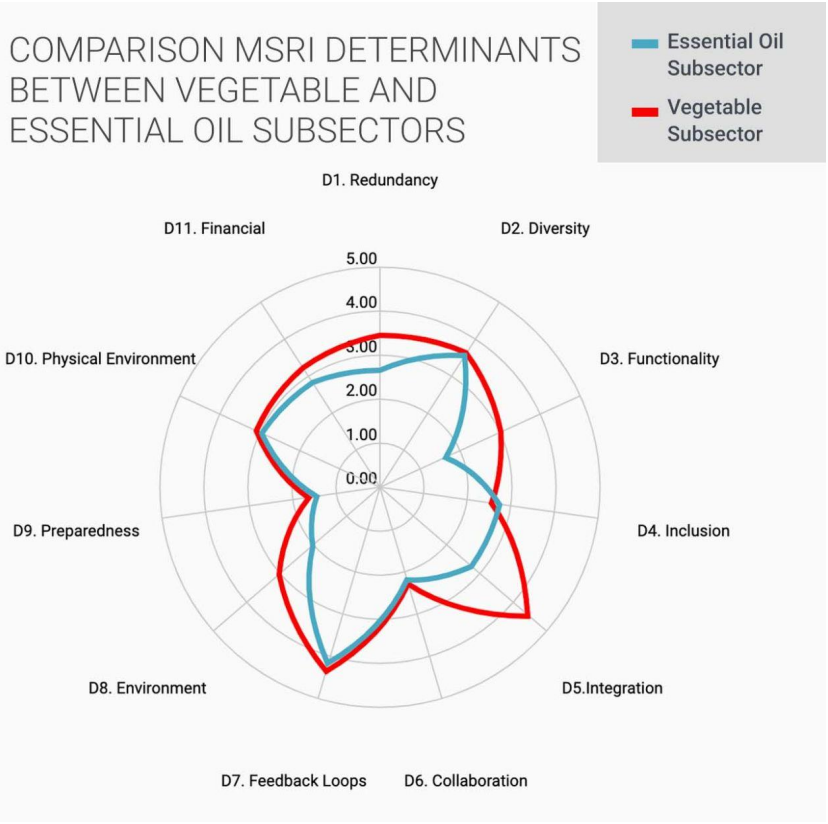
BANGLADESH

MSRI was applied to participants in the Bangladeshi Suchana nutrition-enhancement program, to understand the effects of COVID-19 and climate disasters. Index scores for households showed low levels of resilience when it came to integration, diversity, and collaboration while market actors had low resilience levels regarding preparedness, collaboration and inclusion. It was recommended that Suchana staff focus on interventions that addressed these poorly scoring determinants.



NEPAL

In Nepal, the MSRI focused on three municipalities and looked at how COVID-19 and climate disaster impacted two value chains including vegetable and essential oils. The vegetable sub sector showed strong resilience scores among all determinants except for inclusion. Farmers and households were well connected to market actors but showed low preparedness, which was worrying given their high levels of vulnerability. COVID-19 hadn't yet had a major impact on farmers, relative to other shocks and stresses.



About iDE

iDE is a non-government organisation dedicated to ending poverty. With HQ offices in the US, Canada, and the UK, our work within agriculture, sanitation, climate change resilience, and gender equality, stands out in the international development sector because we don't simply hand out money or commodities. Instead, iDE believes in powering small-scale entrepreneurs and building robust market ecosystems that are financially competitive, resilient to changing climates, and inclusive of marginalised people. iDE has 1,200 global staff and offices in 10 developing countries.

More Information

- The Market Systems Resilience Index: A Multi-Dimensional Tool for Development Practitioners to Assess Resilience at Multiple Levels, Journal of Sustainability, September 2021
- New "In Their Words" YouTube video about how iDE is powering Mozambican farmers who are recovering from cyclones.

iDE Climate Resilience & Agriculture

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