Market Systems Resilience
An Introduction

Hi! I run a local donor development project. We support economic development in our region.

Hello there. I’m a new team member. I want to learn about how to facilitate our work better.

In so many areas, communities face challenges from droughts, floods, conflicts, and health pandemics.

Sometimes these happen regularly and a response could ideally be planned for. Other times, they can be totally unexpected.

Are these the kind of challenges that people call shocks and stresses?

Yes! Shocks can develop slowly like drought.

Or they could develop quickly - like flooding, diseases, or changes in the market. But stresses are more long-term pressures - like corruption, or power struggles between social or ethnic groups.

Our programs want to improve the way we analyze markets, design programs, and implement our development activities...

Communities also have to deal with things like economies crashing, challenging politics, or new global competitors upsetting their markets.

So we’ve been trying to understand more about the resilience of market systems!
Look, I'm not even sure what a market system is! You don't mean the local marketplace down the road, do you, the one where the local merchants sell fruit and vegetables?

Haha - no! Actually, a market system refers to so much more! It's basically the producers, businesses and all the other market actors, in the rural and urban areas, that are all involved with how products or services are produced and moved through to the end-consumer.

Also, a market system refers to all the things that you can't see or don't always think about straight away!

Think about the services that exist to support businesses... like financial support or even support to specific industries...

...or things that affect how and why businesses do the things they do... like the policies and laws that impact businesses, the media coverage that influences the way things are done, norms around gender or ethnic groups that shape the roles people play and who benefits the most from participating in the economy.

Then what do you mean when you talk about the resilience of a market system? And why should donor projects even care about it?

Well, if we think about resilience, we can learn about how businesses and people in a region react to regular and unexpected challenges. Basically, what are the ways they cope?
Ah, I'm starting to understand! So the resilience of the market system is how well the businesses and other market actors tend to cope when there are challenges - such as floods, riots, health pandemics, or a big shift in market demand.

You've got it! We are really looking at how societies evolve to manage risks differently. And, what can shift to strengthen the way those risks get managed.

Can businesses and communities operate even when there is a challenge? Can they adapt quickly when a challenge hits?

Can they better manage, and maybe even avoid, challenges in the future? Can they better identify risks so they can take action to prepare for and lessen their impact?

I'm starting to understand WHY we want markets to be more resilient... ...but, in reality, HOW do businesses play a role in actually helping market systems become more resilient?

Our development programs can learn how to help businesses and communities be way more prepared and ready before future challenges hit.

Are you starting to see why development and humanitarian programs should not just focus on fixing things now - but rather care much more about building the resilience of market systems over time?
Well, in more resilient markets businesses might work together to plan for stronger food supply chains during a crisis. That’s important to make sure that people still have access to food and that farmers can still sell their produce!

But to be able to do this, businesses all the way along the supply chain need to be able to work together to source from other places, to store food products elsewhere, or to figure out how to transport goods where roads are no longer accessible or vehicles are no longer available.

Think about the Covid-19 pandemic where many businesses coped by starting to sell online!

Also, in more resilient markets businesses could have multiple distribution channels and be ready to change where they distribute so people can access food and other necessities during a crisis when other channels break down.

Understanding businesses’ role in improving market systems resilience
RESOURCES:

This cartoon is part of a series of MSR resources and learning tools, accessible at https://www.marketlinks.org/resources/market-systems-resilience-learning-resources-series.

It forms part of the larger USAID cartoon learning series developed by the Vikāra Institute, accessible at: https://www.marketlinks.org/resources/cartoon-learning-series.

OTHER CARTOONS IN THE SERIES:

This cartoon forms part of a larger cartoon learning series. Next, read the second cartoon in this learning series on “Analyzing Market System Resiliency” for guidance on the domains that programs can use to analyze market resilience patterns.

HOW TO USE:

The cartoon learning series can be used in individual or group settings as a learning and training tool for market development practitioners or donors. The cartoons can be given to new team members to review or be used to stimulate group discussion in training settings.

For example, in a training setting, you may choose to:

- Split up portions of the cartoon and use them iteratively in a slide deck to illustrate points, one-by-one.
- Ask participants to take on the role of the woman and the man and read the speech bubbles out loud. This could be done in plenary or in small groups.
- Ask probing questions to help the participants make this personal. For example: What are some of the big risks facing the markets we are working in that could impact the success and resilience of businesses?

Think of how important it is to have much needed products and services that help prevent or reduce risks!

Businesses that provide things like healthcare to keep people healthier, crop protection to look after farmer’s produce, animal vaccinations to keep livestock healthy, or even improved construction materials for houses and other buildings to withstand severe weather.

In more resilient markets, businesses can improve innovation and quality of these risk-reducing products and services - and have better retail, promotional, and even financing methods to get them to customers near and far!

Imagine how much more a prepared society could cope with a well-functioning market for risk-reducing products and services like these.

... and how much better a society would function with stronger supply and distribution chains for products and services to cope with mundane shocks or stresses … through to large scale crises!

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