

The Market Systems Resilience Index

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The Market Systems Resilience Index (MSRI) is an innovative approach to measuring the resilience of a market system. The MSRI has been developed both to guide development practitioners in the process of conducting resilience assessments and to promote the inclusion of all relevant actors within a market system.

Keywords: resilience ; measurement ; market systems ; development ; adaptation ; management

1. Introduction

The MSRI uses a holistic approach to measuring the resilience of the market at multiple levels and accounts for various exogenous factors (e.g., the ecological environment), in contrast to similar tools available. It was first developed by International Development Enterprises (iDE) in 2018 as part of a market development project in Bangladesh. It has subsequently evolved and has been adapted in part based on the market resilience methods and guidance developed under the Resilience Evaluation Analysis and Learning (REAL) Award in the United States Agency for International Development (USAID) Center for Resilience ^[1], and the contributions iDE made to the MSR framework for measurement released by the USAID Bureau of Food Security ^[2]. iDE's MSR model brings together core elements of resilience to measure and evaluate the effectiveness of any market system to anticipate, withstand, and adjust to external and internal shocks and stresses.

Guidance issued by the USAID for assessing market system resilience recognizes the positive synergies of enhancing participation between market resilience and market inclusion but delineates the two as separate entities to be measured and worked towards ^[2]. In contrast, inclusivity is embedded in the MSRI from the standpoint of incorporating social dimensions and vulnerabilities into market resilience measurements. This allows the MSRI to capture human dimensions of resilience along with financial aspects, since markets are socially constructed. Integration and inclusion were chosen, recognizing that systemically excluded groups are integral to long-term resilience-building.

The MSRI explicitly includes households in the market system analysis, recognizing that households are a foundational element of market systems as well as an endpoint of these very same market systems. Without these farming households, the rest of the market would not be able to function. While the Self-evaluation and Holistic Assessment of climate Resilience of farmers and Pastoralists (SHARP) tool measures resilience at the household level, it does not adequately capture systems-level domains of resilience. The MSRI overcomes this by including actors at various levels in the market system in its measurement. By including households and market actors in the market system analysis, the MSRI is able to capture a systems perspective of resilience.

The MSRI built upon the agroecological indicators identified in the SHARP tool to create a more holistic tool that acknowledges and ascribes to the theoretical concept of planetary and social boundaries ^[3]. This sets the MSRI apart from other market systems tools because it bridges the sectoral divide that often delimits climate and the ecological environment as a separate or imposed policy issue. The MSRI recognizes that households, markets, and the ecological environment are interdependent; by including ecological indicators, the MSRI is able to better gauge the extent and effects of these relationships on the resilience of the market system.

Although the agroecological indicators of the SHARP tool were informative to the development of the MSRI, the developers of the MSRI recognized the operational challenges of existing frameworks and tools, the application of which may be cumbersome and time-consuming. Therefore, the MSRI was developed to be a modular tool that is adaptable to specific contexts without losing comparability. In emphasizing comparability, iDE concluded that it would not take the route of STRESS towards creating new individual measurements for each project.

2. The Role of MSRI

The MSRI is being used as a traditional monitoring and evaluation tool, with baselines and endlines to measure the impacts of projects, as well as for more active and ongoing monitoring, evaluation, and adaptive management.

The MSRI provides a standardized assessment that strives to not be overly project-specific and only requires minimal customization to the context in which it is being deployed. This will allow evaluators to compare results across geographies and find insights from much larger datasets. Since the MSRI will be deployed multiple times in the life cycle of projects with a core set of mandatory questions, it will allow for comparisons over time rather than static snapshots. Although these mandatory questions are universal, the qualitative questions of the MSRI give evaluators flexibility to gather additional data points thus capturing new insights or possible trends. As further MSRI assessments are conducted, more in-depth analyses will be possible, allowing future projects to be more effective in accomplishing project goals. Over time this will give its users insight into the sustainability of past projects and lead to additional evidence for best practices moving forward. iDE is planning to continue rolling out the MSRI in new country contexts, with the goal to establish the MSRI as a benchmark tool for country offices and other development funders, agencies, and organizations to draw upon to assess and compare market systems resilience in different environments.

The primary objective of the MSRI is to examine how robust market systems can affect resilience at both the systems and household levels and to provide more detailed information regarding future program scale-up and expansion. The concept of the MSR is a relatively new one; however, its effective assessment using a tool such as the MSRI can provide comprehensive evidence to project managers to inform future decisions related to project implementation, while also providing the project team and donors with evidence related to the impacts the project has on resilience. Given the recent publication of the USAID's Market Systems Resilience Measurement toolkit ^[2] and the Market Systems Resilience Guidance that highlights the MSRI ^[1], this is a critical time to continue improving the MSRI by streamlining the data collection processes and by linking the MSRI to household-level resilience, as both of these have been identified as key areas for MSR improvement ^[1]. Furthermore, this provides the entire development sector with an opportunity to learn from an additional application of an innovative measurement tool to improve adaptive management and measure systems change. By using the MSRI to measure the resilience of the market system at two or more points in time, projects can identify needed adjustments after the first round of measurement and test whether the adjusted activities led to changes in the market system. The tool bridges a specific gap in the literature and practice, and in so doing may ease some of the tension in the development field between balancing short-term gains of project activities, long-term development goals, and the sustainability of projects in the age of anthropogenic climate change. In doing so, the MSRI may aid in the development field's ultimate goal of reducing chronic vulnerability and promoting inclusive growth within the bounds of socio-ecological systems.

References

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