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International Labour Organization

the LAB MARKET SYSTEMS DEVELOPMENT FOR DECENT WORK

Market Systems Analysis for Decent Work:

A User-friendly Guide

The end-to-end process of a market systems analysis made simple

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Have you ever found yourself in the situation where you know your project needs to deepen its understanding on a market or sector but you are not too keen to dive into the complexities of undertaking a market analysis? No worries, we have all been there!

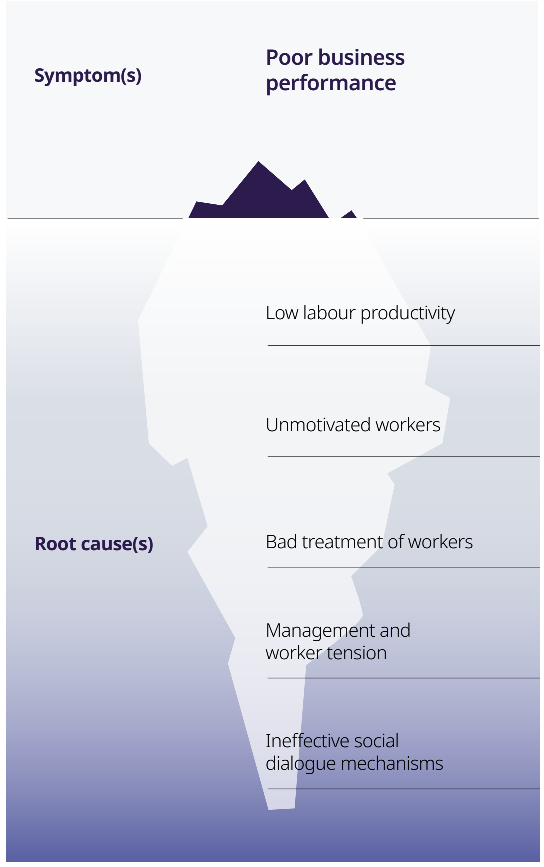
That's why the Lab team of the International Labour Organization (ILO) has put together this note to provide short and jargon-free step-by-step guidance on how to carry out the end-to-end process of a market systems analysis.

A market systems analysis (MSA) provides a deep but practical understanding of how a market functions, why it might not be serving the needs of a certain target group, and how various interventions can address the root causes of underperformance within the market system to address **decent work deficits** (see Box 3) in this regard. The purpose is to provide an analytical basis for better targeting **sustainable and scalable** project initiatives.

The focus of this short guide will be on the ***practical*** aspects of the market systems analysis (MSA) process, including how to manage its component parts. If you feel ready for guidance on the more *technical* aspects of the market systems approach to development, take a look instead at the ILO's Value Chain

▶ Box 1: Market Systems Analysis – Quick Facts

- **What:** a market systems analysis (MSA) is a research tool that allows us to unpack the complexities of a market to identify the root causes of underperformance and reasons why the market might not be benefitting a certain target group. See more on market systems in Box 2.
- **Why:** an MSA helps projects and practitioners to first understand and then address the underlying reasons of why a problem exists, and not just treat its symptoms. The purpose is to provide an analytical basis to better achieve sustainable and scalable impact.
- **How:** the MSA process is made up of 8 steps:
  1. Identification of scope & framework
  2. Recruitment of research team
  3. Definition of research questions
  4. Desk Research
  5. Field Research
  6. Follow-up research
  7. Market Systems Analysis Report
  8. Validation Workshop.
- **Duration:** approximately 2-3 months.
- **Budget:** approx. $30-40,000 USD.



Development for Decent Work Guide or the Springfield Centre's Operational Guide for the Making Markets Work for the Poor. But before diving into the MSA process, an important premise: the success of a market systems analysis also depends on whether the project has chosen the right **sector** to work on in the first place. Start off on the right foot and have a look at the ILO's Guidelines for Value Chain Selection and the brief on Sector Selection for Decent Work: Tips, Tricks and Tools.

Box 2: A market system... what??

A market system is made up of the many 'supporting functions' and 'rules' shaping how well a market works for poor women and men. A market systems approach, in turn, seeks to identify, address and remove constraints that inhibit the growth of more inclusive markets. The goal is impact that is both:

- **Sustained**. Projects achieve lasting behaviour change in public and private actors by aligning interventions to their incentive and capacity to adopt new ways of working. Impact continues long after interventions end because actors see organisational value in continuing the new way of working; and
- **Scaled**. Since constraints to industry growth are removed, change is replicated and mainstreamed across the sector – rather than being confined to just the actors that the project directly works with.

Projects usually partner with a small number of actors to test out new ways of working and, if successful, look to get others to copy the innovation. The activities that projects undertake to encourage partners to change may be varied – from using 'soft' facilitation tactics such as advice or brokering relationships to 'harder' tactics like financial cost-sharing. Such facilitation is an art - not a science. It needs to strike a balance between support to actors that ends up being too light to overcome resistance to change; and too heavy leading to dependence.

For more info see the Lab policy brief "A Systemic Approach for Creating More and Better Jobs", 2019

Box 3: If you are new to Decent Work...

Decent work can be defined as the aspiration to that all women and men are able to work in conditions of freedom, equality, security and human dignity. In turn, decent work *deficits* are the following:

1. Lack of employment opportunities
2. Inadequate earnings and unproductive work
3. Indecent hours
4. Inability to combine work, family and personal life
5. Engaged in work that should be abolished
6. Lack of stability and security of work
7. Unequal opportunity and treatment in employment
8. Unsafe work environment
9. Lack of social safety nets
10. Lack of voice through workers' representation

Source: ILO, Decent Work and Quality in Work Statistical Indicators: Prospects for conversion? And ILO Decent Work page.

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How to use this guide

This guide provides an outline of the different steps involved in the market systems analysis process. It covers the entire end-to-end process, with each step discussed in a separate, standalone section. As the reader, you can therefore dip into each specific section as and when required.

Within each section, the guide explains the purpose of the step, provides guidance on how to operationalise it and, where available, offers real-life examples from existing MSAs conducted by the ILO to provide context.

There is no hard and fast formula on how to carry out the perfect MSA. As such, these guidelines should be viewed as indicative, based on the experiences of market systems initiatives at the ILO. Please feel free to adapt them to better suit your specific needs and project constraints.

Project Document:
What's the framework in which we are operating?

Let's start from the beginning: the **project document**. This is a comprehensive document that outlines the key details for a development project. It typically includes the project's aims and objectives, target group, expected results, theory of change, logical framework, risk analysis and budget.

This information is highly relevant for the market systems analysis. In fact, these details are essential to determine the scope of the MSA and understand how it will be used to inform project decision-making. For this reason, it is strongly recommended to go through the entire project document carefully and extract the key information before drafting up the terms of reference of the MSA (see next section).

Treat the project document as your reference guide for the whole project, and keep referring back to it to better understand the framework within which the MSA is being carried out.

Sometimes, the delivery of an MSA is 'written into' the project document. If this is the case, it is important that the project document explains the purpose of the MSA, and **keeps open the possibility to revise the project design based on its findings**. Otherwise, the project will simply retain the original design outlined in the project document and the MSA will not serve its purpose as a research tool. Ideally, this means that the MSA is carried out during the '**inception**' phase of the project, before implementation begins.

Box 4: What if there is no project document?

Sometimes there may not be an existing project and therefore no project document. In this case, conducting an MSA is more likely to be a speculative process, to see if there is opportunity for a potential project and provide the evidence base for such a case to be made.

For instance, a recent MSA conducted by the ILO with UNHCR on refugee livelihoods in Niger subsequently led to a joint project on the matter, with the findings informing the conception and design of the project.

Other times, the MSA is not in the project document but is requested at a later date. If this is the case, it is important to **ensure that the project team is willing to take on board the findings of the research and adapt accordingly**. If an MSA isn't written into the project document, the project should determine how much flexibility it will have to take on board new intervention ideas or areas of implementation. This is **important to understand at the outset**, and will determine to some extent the scope of the assignment and where the analysis team should focus its resources.

Recap:

- Read carefully through the project document to **understand the context**
- Treat the **project document as your reference guide** for the project
- Determine whether the **project is likely to adapt based on the findings** of an MSA and, if so, how

Terms of Reference:
What's the scope of our work?

The **terms of reference** of a market systems analysis stipulate the **scope of the work** to be carried out. It is advisable to write up terms of reference **before** commencing an MSA to ensure that all parties involved understand exactly what the purpose of the MSA is, what will be delivered and when. Writing the terms of reference is also a useful exercise for those managing the process as it helps maintain a tight focus on the tasks at hand.

Some of the key points to include in the MSA terms of reference are:

1. Background

Describe briefly how this MSA came about, which is usually linked to either an existing project or a forthcoming one. If this is the case, outline the key details of the project such as its aims, objectives, target group, duration, budget, etc. This information can be gleaned from the project document.

2. Assignment Objective

Outline the specific objectives of the MSA assignment. Often MSA assignments refers to a larger package of activities which can include a sector selection exercise, a rapid market assessment [1] and a market systems analysis or some combination of these. Explain the purpose of the research and how it will form an evidence base to shape the future direction of the project.

3. Outputs and Activities

This is the most important part of the terms of reference so make sure to focus your efforts here. List the anticipated outputs of the assignment (e.g. sector selection report, detailed market systems analysis report, presentation of findings for validation) and their corresponding activities, including:

- Desk Research
- Field Research
- Follow-up Research
- Market Systems Analysis Report
- Validation Workshop

4. Management Arrangements

Specify the arrangements in place for the management of the MSA, such as the project under which it is being carried out, who the researchers will report to, how regularly, etc.

5. Indicative Work Plan

Provide an indicative outline of the activities to be carried out during the assignment, as well as the expected timeframe. As a general rule of thumb, a fully-fledged market systems analysis usually takes around **two to three months** from beginning to end. Below is a simplified example of what a typical work plan looks like:

[1] A rapid market assessment (RMA) consists of assessing a local economy to find out which sectors exist in the target region, and which among them are likely to fulfil specific sector selection criteria (feasibility of interventions, market opportunities, and relevance to the target group). This assessment often leads to a shortlist of 3 to 6 value chains, which in turn informs the sector selection exercise.

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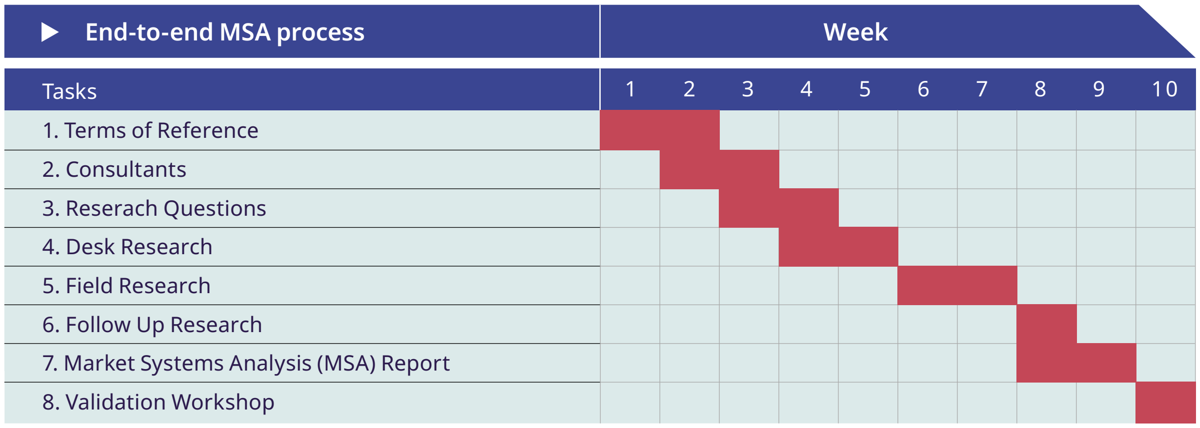

6. Budget and Human Resource Contribution

Detail the financial and human resources that will be required for the assignment. Again, as a general rule of thumb, it is good to budget around **$30-40,000 USD** for the entire end-to-end MSA process[2]. Similarly, it is usually good to have two to three people working on the MSA: one national consultant, who has good connections, can be a good entry point in the sector, carry out the core research and translate as required; one international consultant who has a market systems background and can guide the research as well as analyse and write up the findings; and one project team staff member who can oversee the research process and **ensure that the report findings are adopted into the project**. The project team member can also conduct the analysis/drafting in the absence of an international consultant. More detailed information about consultants can be found in the next section.

Further resources:

- Example terms of reference for a market systems analysis (Rwanda)
- Indicative work plan template

Recap:

- Write up **detailed terms of reference** for the MSA to **ensure everyone is on the same page**
- Use the **indicative structure** above as a reference point for the terms of reference

[2] Cost estimate based on ILO the Lab's experiences; this includes consultants fees and staff backstopping time; travel and mission-related costs; and translation, design & publishing of reports.

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Consultants:
Tapping into the local knowledge

The **consultants** are often the **make-or-break factor for a successful market systems analysis**. They fulfil a crucial role in bridging the technical understanding of market systems with the practical knowledge and local context in the field. Consultants can be split into two categories: national and international.

TIP!

Diversify the skills of the research team! You will need: local knowledge (and connections), MSD expertise and decent work appreciation.

National consultants are your key contact point on the ground. They should be an **expert on and well-connected** within that sector. They should also be able to help translate during interviews where required. Their added value is to give a detailed insight into the workings of the sector and to facilitate access to others who can complement this.

International consultants are more likely to be **experts in market systems development and decent work** than in any specific sector. They have usually conducted MSAs across different sectors and geographies. Their added value is to provide methodological rigour to the research and bring their previous experiences in conducting MSAs with a focus on addressing decent work deficits.

In terms of resourcing, ensure that the team conducting the MSA has all of the following skills:

1. **Local knowledge**
2. **Understanding of market systems**
3. **Appreciation of decent work deficits**

Even if you decide to use both an international and national consultant, it is *imperative* that you still remain fully involved in the research process, and oversee it from beginning to end.

Box 5: Beware of fully outsourcing the process to consultants

The project team in charge of implementing in the sector should take the lead, as this period is critical to generate initial understanding of the market system as well as to understand the role of and build relationships with actors.

Adapted from the ILO Value Chain Development for Decent Work Guide, 2016

There are a number of ways to go about finding consultants for your MSA assignment:

National consultants:

1. A good place to start here if your organisation has a country presence is by talking to your **country office & local colleagues**. They would be able to recommend trustworthy consultants and have a good idea of local market rates. They can also tap into their networks to find someone with sector-specific knowledge.
2. If you identify a good **international consultant**, you could also discuss with them if they have any preferred national consultants to work with – and contract them.

International consultants:

1. Again, a good place to start is talking to your **colleagues**, especially if they are familiar with the MSD approach. They should be able to recommend high quality international consultants they have worked with on MSAs, including those with sector-specific knowledge.
2. Beyond consulting your colleagues, another technique for finding good consultants is to search for **relevant, high-quality MSAs**[3] that have been carried out in the area, and find out who worked on them. Even if a report is branded with the organisation's logo and is their intellectual property, it has often still been put together by consultants.
3. Finally, you could post an announcement for the consultancy on relevant LinkedIn groups and online market systems platforms, such as the **BEAM Exchange Jobs Board** or the **DCED vacancies page**.

TIP!

Search for relevant, high-quality MSAs to find out who worked on them.

[3] See for instance the Lab's archive of MSAs and rapid market assessments.

Remember: for the national consultant, sector knowledge and connections are most important. Being familiar with the market systems approach to development and decent work are not necessarily prerequisites. Neither is experience working with yours or other international organisations. A business mind can also be helpful. For example, the Lab conducted an MSA in the building construction sector in Rwanda with a construction project manager who had trained as an architect. Similarly, for an MSA in horticulture in Myanmar, the Lab recruited an applied microbiologist who was a woman widely respected within the horticulture community and very well networked with government.

Another thing to bear in mind when deciding on consultants is the **trade-off between quality and availability**. Usually, the best consultants will already be booked well ahead of time. With this in mind, it's a good idea to move early with the contracting process to secure a solid consultant.

Engage with a pool of potential consultants and follow the process outlined below before making your final selection.

Process:

1. **Initial contact**: Reach out to consultants, introduce yourself, briefly explain the assignment and find out their interest, availability and other important details such as daily fee, CV, previous assignments, etc. It is helpful to share short terms of reference for the assignment, which can be further refined over time.
2. **Evaluation**: Review the information sent by the various consultants to evaluate who you think would be best suited for the assignment, taking into account the time constraints for its delivery. Try to get understanding from other people who have worked with the consultant on their accountability and delivery, including references.
3. **Conversation**: Once you decide on your preferred consultant team, it's worth scheduling a call with them to discuss the assignment in further detail. You can also use this opportunity to gauge their skills, motivation for the work and availability during the assignment – particularly during the field research stage.
4. **Contracting**: Once you have informally agreed terms with the consultant, it's worth updating the terms of reference to reflect what has been agreed and proceed to contracting.

Further Resources:

- Example terms of reference for a national consultant (Myanmar)
- Example terms of reference for an international consultant (Kyrgyzstan)
- For further information on the key competencies that would be good to have on the research team, see the BEAM Exchange Competency Framework (particularly group A – Analysis & Insight).

Recap:

- Choose carefully when deciding on **consultants**: they **are critical to the success of the MSA**
- Think about how to best resource the assignment, whether a national consultant and international consultant are both required and **how they balance one another**
- Use the suggested process to find quality consultants with **skills that complement your own**
- **Maintain ownership of the research process**, even when using consultants to write the MSA

Research Questions:
What do we want to know?

Before embarking on the research process for the market systems analysis, it is important to articulate the **research questions**. These set out what exactly you are trying to find out from the study – such as the underlying reasons why the market system may not be serving the needs of the poor, or how it is contributing to the persistence of decent work deficits.

The broad research question will be linked to the project aims and objectives, which can be found by referring back to the project document and/or terms of reference. For example, for an MSA of the banana sector in the Dominican Republic conducted by the Lab, the overarching research question was: *What are the constraints at the nexus of low wages and plantation business performance?*

Once you have your **core research question**, you can break this down into its component parts –such as *wages; inputs; labourers; working conditions and buyers* in the case above. For each of these, you can then add **additional probing questions** so that you are left with a detailed list of research questions that, if answered, should provide a rich picture of the market system and get to the underlying constraints related to your research objectives (see p.43 of the MSA).

> **TIP!**
>
> Print your core research questions and keep them to hand during the field research to anchor your discussions.

Through the desk, field and follow-up research, the team will endeavour to answer these research questions.

It can be useful to build out the research questions into a fully-fledged **research plan**, though this can be done at a later stage. The plan could include additional research aides, such as:

1. A note on the proposed research methods to be employed, such as key informant (semi-structured) interviews, focus group discussions and/or surveys.
2. A script for introducing the research, explaining who you are as a research team, whom you are working for, and the purpose of the research.
3. A set of probes for the field research adapted to each set of respondents – such as *labourers, plantation owners, trade unions, and govt. ministries* (see p.45 of the MSA).

> **Box 6: Don't forget to triangulate.**
>
> Use more than one tool or source of information to verify your findings. One way to do this is to ask different sets of respondents the same questions so you can make a more informed judgement based on multiple perspectives. Another way is to incorporate a mix of qualitative and quantitative data in your research, with each complementing the other.
>
> *Adapted from the Springfield Centre's M4P Operational Guide, 2015*

Remember that the research process is an iterative one. **Based on the findings from your initial research, you may generate additional questions that need answering**. Be open to these and, if relevant, incorporate them into your research. Once you have defined your core research questions, keep them in mind during the desk research. It's also a good idea to **print them out and keep them to hand during the field research** to anchor your discussions: these can easily go wide, but we also need to go deep in order to get to the root causes!

Further resources:

- For more information on formulating research questions, see Section 2.3 of the ILO's Value Chain Development for Decent Work Guide
- For more information on triangulation and other research tools, see Section 2.3 of the Springfield Centre's M4P Operational Guide
- Example research plan (Dominican Republic, Annex 2)

Recap:

- **Define the** overarching **research questions before** embarking on your desk, field and follow-up research
- Elaborate on these to build **a rich picture of the market system** and its underlying constraints
- Build out a **research plan with additional information**, if time permits
- **Keep the research questions to hand** during the entire process to focus your research on the desired outcome

Desk Research:
The view from afar

The purpose of **desk research** is to determine the prevailing state of knowledge on your research topic. This is useful for at least two reasons. Firstly, it allows you to be efficient and avoid duplicating work that has already been carried out. Secondly, it helps you focus your research – you will then know exactly what information still needs to be gathered in order to form a clearer picture of the market system and make the most of your (limited) time during the field research.

Process:

1. **Scan for existing analyses**: The first step is to find out whether a market systems or value chain analysis of the same sector and region as yours has **already been conducted**. Clearly this is a symptom of poor donor coordination, but it can be surprisingly common – particularly in areas saturated with development projects. If relevant analyses already exist, these are the best place for you to begin understanding the market, how it functions and its key players. Remember to **keep your research questions in mind**, and think about how the analyses link to project objectives and **decent work deficits** you are trying to address.

> **TIP!**
>
> Scan for existing MSAs. Even if they have not been conducted on the same sector or in the same region, there are still plenty of complementary resources you can use to inform your research.

2. **Scan for complementary analyses and reports**:
   - For instance, if you are researching the ginger value chain in northern India, you might not find any ginger MSAs from the region but could come across MSAs or value chain analyses on turmeric or garlic instead. These could be useful to understand how the market system functions for these **similar sectors in the same region**.
   - Similarly, you might find MSAs of the **same sector in a different country context**. These can be incredibly helpful in understanding how you might structure your MSA and what additional areas to consider. For instance, you might read about how fresh ginger is being processed into ginger powder – and then factor this in to your analysis if appropriate.
   - The Lab also publishes briefs comparing findings in different countries to identify common constraints and opportunities in diverse sectors, such as construction, tourism and agricultural commodities; as well as issue areas such as job quality, youth employment and policy (both forthcoming).
   - Finally, look for **any other relevant resources** that can help you with your research. You could begin by checking whether your organisation has already done research on the same topic or look for other relevant sector studies and project design documents, online news articles, government strategies and policies at the national, regional or sectoral level.

3. **Scan for background data**: The knowledge that you collect in the field will likely lean more on the qualitative and micro/meso side of things. It is therefore important to complement this with more **quantitative and macro-level data** to make a compelling analysis. Suggested sources for background data include:

- Agriculture
  - FAOSTAT
  - IFAD country profiles
- Trade
  - ITC Trade Map
  - ITC Market Access Map
  - ITC Export Potential Map
  - The Observatory for Economic Complexity
- Tourism
  - World Travel and Tourism Council country data
  - World Tourism Organization e-Library

- All sectors
  - Government data

  Note: Beyond what you find online, you can leverage your or your consultants' contacts in government to request additional data from e.g. the Ministry of Labour, Agriculture or national office for statistics. However, be aware that data may be out of date if government capacity for data collection & analysis is low.

  - Local, national and international media

- Country data
  - ILOSTAT
  - World Bank Open Data
  - CIA World Fact Book

Although it may seem counterintuitive, it can be helpful to work backwards when carrying out the desk research. If others have already conducted an MSA on the same sector/region, it is likely that they will have already carried out a comprehensive mapping of the relevant existing documents and background data. Even if an MSA has not been conducted on the same sector in the same region, there are still plenty of complementary resources you can use to inform your research, outlined above. As with all good research, we create new knowledge by 'standing on the shoulders of giants'!

Further resources:

- For an example of desk research sources used for an MSA, see Annex 2 of the MSA of working conditions in Asia's garment export industry
- For the full list of MSAs conducted by the Lab to help with your desk research, see here
- Find more tools and analysis in the DCED Value Chain Development webpage.

Recap:

- **Collect comprehensive background data** in order to focus the scope of your field research
- Use the suggested process above to **maximise the efficiency of your desk research**
- **Link the desk research back to the research questions** and decent work deficits you are trying to address

Field Research:
The view from the ground

By far the most important and valuable aspect of the MSA process is the **field research** – though of course this requires that all the previous steps have been done well! The field research provides you with an opportunity to go directly to the source, get a feel for what is happening on the ground and is often the moment when the fuller picture of the market system really comes together.

Use the field research as an opportunity to **talk to a diverse set of actors beyond your target group**, including businesses throughout the sector and of varying sizes, employees, business associations, trade unions, sector experts, local and national government, development agencies and NGOs. This will allow you to better understand the wider **market system**, in which solutions for addressing the root causes of decent work deficits may be more prominent.

Remember to **use the research questions** to guide your discussions, and where possible try to get some hard numbers as well as qualitative data – which will allow you to present information in an easily digestible format in the MSA report.

You will have a limited amount of time in the field – usually between one to two weeks – so it is imperative to maximise the information you can gather whilst there – both in terms of quality and quantity. This requires **significant preparation**. Not only in terms of the research and analysis but also to navigate the logistical complexities of your trip. This is where your national consultant is critical – ask them to help you sort out the logistics so you can focus as much as possible on the interviews themselves.

TIP!

Make sure your consultant re-confirms people's availability the day before the meeting and keep your agenda updated.

Before

- Mission schedule: This is **critical to the success of your time on the ground**: work with your consultants to book your meetings in advance of your arrival and put together a rough meeting schedule to keep track of these. This can be done in a Google Sheet so consultants can add in meetings as they are arranged. In terms of scheduling, it's a good idea to **begin broadly**, with government actors and the sector specific employers' associations or trade unions to get an overall picture before drilling down to businesses, workers and specific supporting services constraining the market. On the practical side of things, it's important to **maintain a buffer between meetings** to allow for running over time and – importantly – to have sufficient time to prepare for the next one. Keep in mind that some countries require invitation letters to meet with government, which should be fixed early on. Make sure your consultant **re-confirms people's availability** the day before the meeting. It's good practice to keep updating your mission schedule and maintain a final version once your research is complete, which can come in handy while writing the MSA.
- Stationery: Make sure to bring along your **business cards**. It's useful to exchange these with stakeholders to provide an added element of credibility before your meetings begin. It's also a good idea to stock up on notebooks, pens and any printouts before heading out.
- Logistics: If you are based abroad, you might want get a local **SIM card** for your phone upon your arrival in country. Depending on the security situation and the availability of public transport, it might be worth contracting a **taxi driver** for the entire duration of your stay to move around easily. The national consultant or the country office can give you the contact of someone they trust!
- Initial meeting with consultants: Try to meet with your consultants face-to-face for an introductory meeting before commencing your field research. Use this opportunity to get to know them, reiterate the objectives of the research, go over the mission schedule and get an update on logistical preparations.
- Final preparations: Before each meeting, note down the key information you want to obtain and specific questions you want to ask, and use these to structure your meeting alongside the research plan.

During

- Introduction: Introduce yourself and the research team, exchange business cards if appropriate, briefly explain your research aims and why you want to carry out the interview with your respondent. **It's**

important here not to send the wrong message. People may see your project as an opportunity for financial gain – and simply tell you what they think you need to hear in order to support them. Be clear that you are simply conducting an analysis of the market. Similarly, most people are not aware of what a market systems analysis is – so it's best to avoid using technical-heavy language with your respondents. **Be as clear and as simple as possible**.

> TIP!
>
> During interviews keep asking 'why' and start with easy and open questions. Leave the most controversial ones for the end.

Note: the introduction script from the research plan can be used for this (see *Section: "Research questions"**).*

- Focus: Your ultimate aim is to build upon the research already conducted and get to the **root causes** of the decent work deficits under study. This requires continuously questioning '**why**' the market is currently functioning as is and not already addressing the constraints identified. Keep the conversation natural, starting with some easy and open questions to put the interviewee at ease (e.g. "*Tell us a bit about your work/business/project*") and leave the most personal or controversial ones for the end. Refer back to your research questions and preparatory notes to maintain this focus. A useful trick to re-orient the conversation in a more natural way is to refer back to something the person had mentioned and link it to your area of interest (e.g. "*Earlier you mentioned x, tell me more about y and z*"). **Let yourself be guided by the interviewee** to some extent, but **make sure you get answers to what you are trying to find out**!
- Timing: Meetings may start late and/or run over. **Keep an eye on time**, and take this into account when organising the **structure** of your meeting. For instance, if you have a one hour meeting with a government stakeholder, you might break this down into 10mins for introductions, 40mins for your questions, and 10mins for wrapping up.

> TIP!
>
> Note down any particularly striking quotes and take photos! It will improve the communications impact of your final report.

- Be flexible: Despite the need for some structure to your research, it is important to **remain flexible and adapt to changing circumstances**. For example, if your meeting starts 20mins late you may need to flex your initial plan. Similarly, if your respondent makes you aware of new stakeholders, you may want to adapt your schedule to meet with them too.
- Quotes: Adding direct quotes from respondents can provide a simple yet effective way to reiterate key points throughout your MSA. Try to **note down any particularly striking quotes** during the research process, which can then be added as boxes throughout the analysis.
- Follow-ups: If relevant, be sure to ask if the interviewee has any **relevant data or studies** that might help provide some quantitative data to the more qualitative findings. If necessary, follow-up on these requests with an email right after the meeting, so you increase the chances of actually getting the information!
- Photos: Including quality photos from your field research, such as pictures of the workers and sector under study, are another way to **improve the communications impact of your final report**. For instance, you may find that a lack of personal and protective equipment is contributing to poor working conditions in the construction sector – a picture here could paint a thousand words. Just remember to follow good practices regarding **consent** before pointing your camera at people! Ask permission and explain that you may use the photo in a publication. Where possible, take pictures without visible logos or enterprise names on them to avoid any issue with copyright and/or advertising.

After

- Reflect: Try to do a **quick stock take** after each interview, based on recall, a re-read of your notes and any inputs from the team.
- Next steps: Based on this stock take, establish the **key information to follow-up on in subsequent interviews** – which can

guide future preparations. You may also identify new actors to be interviewed whom you hadn't previously considered.

- Recap: At the end of each day, try to spend a short moment reflecting on what you have learned, how this links to the aims of your research, whether you have got to the root causes of underperformance in the system and how you need to adjust your plan given what you learned during the day. This should help you **prepare well for the following day** and make sure you are drilling down to the **underlying issues**.

  Note: you might also find it helpful to type up your hand-written notes into a Word document so you have a soft copy backed up.

Further resources:

- Mission schedule template

Recap:

- **Engage with a diverse set of actors** during your field research – starting with more general actors and finishing with more localised, specific actors
- Obtain both **qualitative and quantitative data** if possible
- **Prepare in advance**, both in terms of the research and the logistics
- Use your consultants to help you with the **logistical preparations**
- Follow the suggested steps outlined above to **guide you during the research process**

Follow-up Research:
Tying up the loose ends

Well planned and executed field research should provide you with a rich picture of the market system, the key constraints contributing to the persistence of certain decent work deficits, and their possible root causes. You may, however, still have some question marks remaining – which is where the **follow-up research** comes in. Its purpose is to supplement your field research in order to **verify any outstanding hypotheses** and/or **fill important data gaps** that you have identified. As such, it can help support, substantiate, validate or refute findings from the field research stage.

This research can consist of **supplementary interviews** with stakeholders: revisiting those already interviewed with specific additional questions, or meeting new ones whom you were made aware of during the research. It can also consist of a broader data collection exercise such as a **survey**. Make sure you prioritise the information you think will be most valuable to find out.

The follow-up research is generally conducted by the national consultant, often in the week following the field research. It is therefore important to **dedicate sufficient time at the tail end of the field research to define the specific activities for this follow-up research**. For instance, you might schedule a debriefing session with the consultant on your final day of the field research, summarising what you have collectively learned to date and outlining a research plan for the following week – clearly identifying the additional tasks that need to be carried out. You could then have another check-in once you return to the office to make sure everything is understood and on track.

TIP!

Dedicate sufficient time at the tail end of the field research to define with your consultant the specific activities for this follow-up research.

Whilst it might be tempting to wait until you have the findings of the follow-up research to **get started on your MSA report, it makes sense to get started with your analysis once you get back**. For instance, you could start typing up your field notes, structure the different sections of your report with some bullet points, and even begin drafting the initial chapters. This will also help you to identify the information gaps to be filled by the follow-up research.

Further resources:

- Example follow-up research plan (Dominican Republic)

Recap:

- **Prioritise the outstanding information** you think will be most valuable to your research
- Dedicate sufficient time with your consultant to **define specific activities to be completed**
- **Start drafting the MSA report** while you're waiting for the findings of the follow-up research

Market System Analysis Report: Bringing it all together

Now that you have completed the research, the next step is to condense this long process into an easily digestible **market systems analysis report**. For detailed guidance on the MSA report, refer to the Lab's MSA Template document.

Remember, a high quality MSA is worthless if not used. It is therefore critical that your report is kept as short as possible while conveying sufficient depth of detail – ideally no more than 30 pages. This may prove difficult given all the information you have collected during the research, but the trade-off is that with fewer details, more of the key findings will be read – and acted on[4]!

The first step to drafting the MSA report is to move from data collection to analysis. You will have collected a lot of information during the desk, field and follow-up research, which need to be further analysed before being presented in a coherent manner. It can be useful to group your analysis into three distinct areas:

1. **Overview of the market system**: Start this section with a brief background of the market under study, including its current structure, history and future trends. Then dive straight into the market system, outlining the core value chain, supporting functions and rules & regulations.

   See Step 2 (p.40) of the Value Chain Development for Decent Work guide.

2. **Constraints analysis**: This section identifies the key constraints in the market system that are contributing to the persistence of decent work deficits and market underperformance. Beyond this, it drills down to suggest possible root causes of these constraints.

   See Step 3 (p.41) of the Value Chain Development for Decent Work guide.

3. **Recommendations**: There are likely to be lots of drivers of underperformance in the market system. This section first seeks to **prioritise the identified constraints** – based on how easily they can be addressed and how likely they are to have an impact on decent work. Then, it seeks to **propose concrete, market-led interventions to address the underlying causes of these constraints** and catalyse systemic change – with a view to improving decent work outcomes for the target group.

   See Step 4 (p.46) of the Value Chain Development for Decent Work guide, the Market Systems Facilitation brief and the Business Models for Decent Work report.

TIP!

A high quality MSA is worthless if not used. Keep your report as short as possible – ideally no more than 30 pages.

Resources:

- The Lab MSA template
- Example market systems analysis report (Rwanda)

Recap:

Keep your MSA report as short as possible while conveying sufficient depth of detail

Use the MSA Template to help structure your report and provide further guidance

[4] For more information on the quality and use of analyses, see the ILO's 2019 Internal Review of MSAs

Validation Workshop:
Are we on the right lines?

By now you have conducted endless research, met with plenty of market actors, analysed the market system and provided recommendations on how to address the root causes of constraints to improving decent work deficits for your target group. Congratulations! **The validation workshop** is the final step in the MSA process and aims to **verify the accuracy and build consensus around your research findings**. It consists of presenting your research to key stakeholders in the market system – many of whom you've interviewed already.

There are three key objectives you want to achieve from the validation workshop:

1. **Findings** – is your understanding of the market system, its key constraints and underlying root causes generally correct?
2. **Recommendations** – what is the appetite of key stakeholders to get on board with the recommendations you are making?
3. **Further information** – are there any clarifications or additional information that can help you as you move from analysis to action?

> **TIP!**
>
> Be careful with the invitee list! Depending on who attends, there is a risk that the workshop is influenced by others and that it becomes dominated by those who shout the loudest.

By engaging with key stakeholders and achieving these objectives, you will contribute to **consensus building**, **correct oversights or errors** in the findings, and **increase ownership and awareness** over the findings and recommendations of your research.

One thing to be mindful of for the validation workshop is the **invitee list**. It is important to have a good element of control over this as there is a risk it can be influenced by others. Similarly, depending on who attends, there is a risk that the workshop becomes dominated by those who shout the loudest. To mitigate this, it can be helpful to **brief important stakeholders in advance of the meeting** and share a copy of the MSA report if appropriate. An anecdote from a recent validation workshop illustrates the importance of the invitee list. The MSA had selected a sector for the project to support, but members of the sector's national business association did not attend the workshop. Their absence suggested that they were not interested in working together with the project. However, it transpired that an influential member of the community was able to use their power to convince project staff not to invite the association. This only came to light afterwards thanks to the inside knowledge of the local consultant!

Remember that the validation workshop is a **consultative meeting**, not the arena for final decisions to be made. These should be made by the project team, together with the donor and relevant partners. **Keep the discussion open and non-committal if pressured to make unplanned decisions**: you don't want to create false expectations of support among partners. Also, be mindful that some actors may have an agenda of securing project funds and thus will contribute to the meeting in a way that speaks to that agenda.

Finally, it's important to **work through the country office and local colleagues** and **use your consultants to drive the validation workshop**. They can compile the list of invitees, invite attendees, organise the logistics and help develop and deliver the presentation.

Further resources:

- For more guidance on the validation workshop, see Section 1.3 (Step 6) of the Value Chain Development for Decent Work Guide
- Example validation workshop presentation (Myanmar)

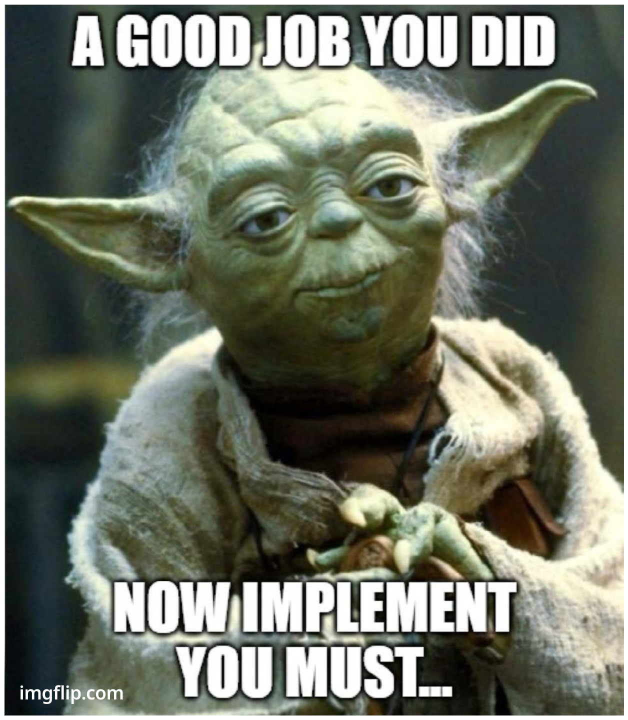
Recap:

- Present your findings and recommendations clearly, **keeping in mind your audience**
- **Be mindful of the invitee list** and how this can influence the dynamics of the workshop
- **Avoid creating false expectations of support** amongst partners
- **Use your consultants to help you** throughout the process

Congratulations! You have finalized your Market System Analysis!

Ideally, the report should be submitted to proofreading and layout design to become a fully-fledged publication that can be printed and published online. If this is not possible, due to the common "no-time-no-money" situation, make sure to have at least a clean version in word layout that you can share with key partners and donors. Consider this: you can't judge a book by its cover, but the 'look and feel' of a document substantially contributes to its credibility. This is particularly critical as you want to convene partners (and funds) to design and implement market-system interventions addressing the key barriers identified by your MSA.

For your next steps in the design of intervention models and the facilitation of market system interventions, you may want to have a look at the Value Chain Development for Decent Work Guide (Chapters 3 and 4), the Business Models for Decent Work report and the Market Systems Facilitation Brief. Good luck!



This guidance note has been prepared by the Lab, a Swiss SECO-funded ILO project innovating ways to use a market systems approach to improve decent work outcomes. For more information on market systems development for decent work, visit the Lab's website or consult this short brief.

If you have any feedback or follow-up questions, don't hesitate to get in touch at: thelab@ilo.org

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