

The Abt Approach to Inclusive Market Systems Development



Revitalizing Market Systems in a Changing World

Inclusive, competitive, productive, and efficient market systems are vital for growth and resilience, and strengthening them is a key part of Abt's mission to improve economic wellbeing and quality of life. Market systems are shifting and restructuring due to worldwide economic reverberations from COVID-19 as well as megatrends of recent decades: globalization, rapid urbanization, climate change, corruption, conflict, and digital transformation. Globalization is shifting the location and patterns of production and trade, increasing the integration and interdependence of economies and markets. At the same time, rapid urbanization and climate change influence the composition of policy, products, and services, while corruption, conflict, and violent insecurity curb investment levels and interrupt business.

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Digital transformation and the diffusion of technology have disrupted market systems and the way we live, produce, consume, and communicate. These forces and trends have important implications for markets and market systems at regional, national, and subnational levels, exacerbating inequalities and vulnerabilities—particularly in low- and middle-income countries. In response to these post-COVID impacts, Abt is refreshing our approach to inclusive market systems development.

Renewing Key Priorities

As long-standing market norms, rules, relationships, and regulations adapt to these megatrends, Abt is adding to what we already know works in developing competitive and resilient market systems in low- and middle-income countries. Our approach reinforces priorities that inform and strengthen market system support functions and rules, allowing the core market forces of supply and demand to operate productively and efficiently while advancing inclusion and equity.

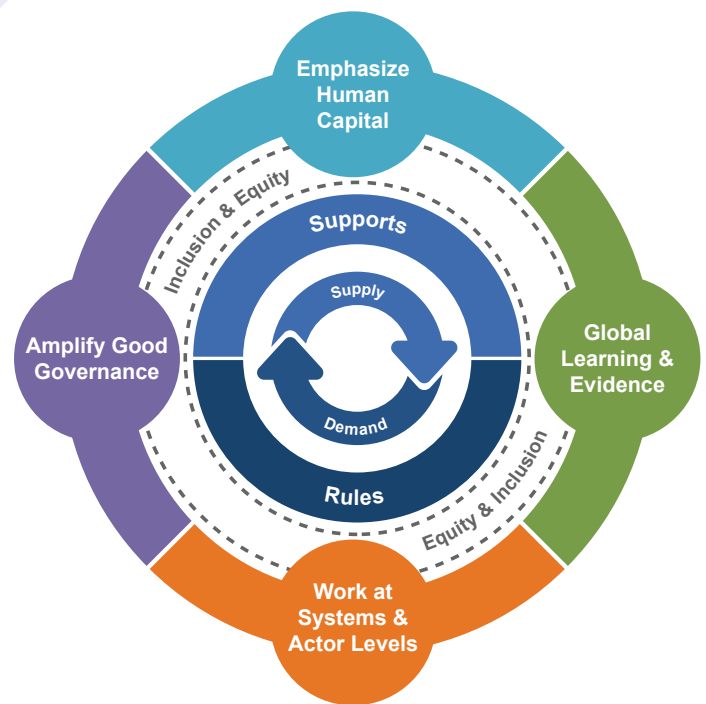
Key priorities of our inclusive market systems approach are:

Placing equity and inclusion front and center to create opportunity for all and benefit marginalized or vulnerable individuals and communities. We focus on improving conditions and increasing the productivity of micro, small, and medium enterprises (MSMEs) and their supply chains, including in the informal economy. We engage diverse stakeholders—including marginalized groups that are often excluded—and partner with local organizations in program design and implementation to elevate the voices and perspectives of those most impacted, better understand barriers to inclusion, and improve the targeting of resources and support.

Working at system and actor levels. Our initiatives help align incentives at the system level so they operate more productively. At the market actor level, we catalyze business process improvement, relationship building, and transaction efficiency. In both spheres, we convene public, private, and civil society actors to engage in dialogue and delivery and emphasize local leadership.

Intensifying attention to human capital and supply in market systems, including ensuring alignment across interconnected public, private and employer-based education and training systems. As new industries emerge and the nature of work evolves, we help market actors acquire new vocational, technical, entrepreneurial, digital, and workplace skills, competencies, business models and agricultural practices that

Priorities of Abt's Inclusive Market Systems Approach



meet market needs. These adaptations help firms and farms function more efficiently and profitably.

Amplifying good governance by fully analyzing and addressing political economy realities, recognizing that transparency, accountability, and local ownership improve market competitiveness, responsiveness, and inclusiveness. We seek to mitigate imbalances in power and decision-making dynamics between the public sector, private sector, and citizens that impede efficient market systems.

Advancing global learning of what works in inclusive market systems, including project-specific research agendas. We integrate inclusive metrics and indicators in our analyses to ensure our activities are evidence-based and context-specific, and that resources go where they are needed most.



Regional Network Engagement

Abt promoted export-oriented trade by engaging firms, industry associations, regional alliances, and public-private partnerships to connect businesses to finance, promote regulatory reforms, link buyers and investors, and adopt improved business practices and technologies. We facilitated \$100 million of investment in agriculture and apparel, \$136 million in exports, \$174 million in sales—and generated more than 20,000 new jobs, empowering and engaging thousands of women in economic participation.

USAID [West Africa Trade and Investment Hub](#)

Facilitation of Clean Energy Lending

In Latin America, the Caribbean, West Africa, and Southeast Asia, Abt developed local banks' capacity to navigate clean energy lending and identify renewable energy projects for local currency investment. We also evaluated and developed best practices for renewable energy auctions and battery energy storage system policy.

USAID, [Climate Economic Analysis for Development, Investment and Resilience](#)



Reinforcing Abt's Market Systems Methodologies and Solutions

Abt's design, implementation, and evaluation approach builds upon and utilizes core methodologies and best practices, reinforced by our key priorities:

- **Inclusive growth diagnostics**—Abt rigorously analyzes markets to identify supply and demand barriers to inclusive growth, misaligned incentives, and root causes of market failures, including in the labor market. Whenever possible, we disaggregate data, resulting in diagnostics that enable the design of targeted interventions to reach the most inclusive and equitable results.
- **System mapping**—With tools including network analysis, Abt maps market system actors, assets, distribution channels, boundaries, relationships, institutions, norms, processes, and policies. We consider interconnected dynamics—of health, education, household, cultural, and infrastructure systems—to inform our design for the most inclusive, durable impact.
- **Capacity building**—Abt improves the supply of skills, knowledge, resources, and technology for key market actors like farmers, firms (principally MSMEs), industry and labor associations, producer groups, and government agencies. Our proven methods for demand-oriented, scalable delivery and optimal learning include peer-to-peer, training-of-trainers, curriculum reform, networking and exchange, and on-the-job and project-based learning.

- **Market linkages and financing**—Abt works within supply and value chains—as well as with accelerators and incubators—to improve management, bolster business networks, and facilitate market access, entry, financing, and trade. We apply best practices gleaned from extensive private sector health experience (including the [Total Market Approach](#)) to mitigate barriers and smooth inefficiencies between consumers and products or services. To ensure more inclusive banking, lending, insurance, and other financial services, Abt incorporates new funding and investment instruments—like blended finance, impact investment, and fintech—that support enterprise start up, sustainability, and growth.

Buyer-Led Partnerships



Under a buyer-led market systems approach, Abt accelerated the growth of Cambodia's horticulture sector, generating \$51 million in farm and firm-level sales, and \$14 million in financing for capital improvements. We built sustainable commercial partnerships and links to financing and other support services for productivity, supply chain management, and export requirements.

USAID [Harvest II](#)

Photo Credit: Solina Kong

Market Opportunities and Finance for Women



Abt partners with impact investors and ecosystem builders to expand market opportunities and access to capital for small and medium enterprises led by and responsive to women's needs in the Philippines, Indonesia, Vietnam, and Myanmar. We developed and deployed blended finance structures—including first-loss debt, equity, sidecar syndicates, and revolving funds—while collaborating with key industry networks to champion gender-lens investing.

Australian Aid, [Investing in Women](#)

- **Information management and distribution**—
Abt assesses information and market intelligence resources, flows, and management to identify gaps. We then work with local partners to strengthen processes and widen distribution and communication channels. These measures increase transparency, efficiency, and equity in market and linked systems, and contribute to multiplier impacts.
- **Policy analysis, reform, and systems governance**—
Abt applies a Thinking and Working Politically mindset and conducts political economy analysis to better align incentives, reduce corruption, and break down non-financial barriers and market inefficiencies. We conduct policy and regulatory research and support participatory reform processes and their rollout, including through public engagement, intra-governmental coordination, institutional strengthening, and knowledge transfer. Abt works with governments to reform laws or regulations regarding property rights, land tenure, or labor mobility that could limit market systems participation for women, youth, people with disabilities, indigenous or other marginalized groups.

| FOR MORE INFORMATION

Sarah Kozyn

Manager

Inclusive Economic Growth

Sarah_Kozyn@abtassoc.com

Nicole Goldin, Ph.D.

Global Head

Inclusive Economic Growth

Nicole_Goldin@abtassoc.com

Cheryl Doty

Director

Inclusive Economic Growth

Cheryl_Doty@abtassoc.com



Pursuing Equity. Looking for the Intersections. Driving Real-World Impact.

Abt Associates is a global consulting and research firm that uses data and bold thinking to promote equity and improve the quality of people's lives. From advancing positive health outcomes and just environmental and social policy to crafting digital, data-centric solutions and bolstering economic security, we partner with clients and communities to tackle their most complex challenges.

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