



SHIFTING THE LOCUS OF LEARNING: *Catalyzing Private Sector Learning to Drive Systemic Change*



Key Takeaways

- Learning is at the heart of the process of economic development — it drives more competitive, resilient, and inclusive firms and systems. Yet learning is less frequently seen as a critical function within systems that can catalyze and quicken systems change and enable adaptation.
- Programs can and should shift the locus of learning from being only program-focused to system-focused. This implies a shift in agency away from a program directing the learning process to strengthening the capacity of market actors (e.g., firms, organizations) and the system itself to better learn and adapt on their own.
- Two pathways to support learning are at (i) the market actor-level (e.g., through strengthening capacity for customer centricity and supplier insights and then applying amplification strategies) and at (ii) the systems-level (e.g., strengthening organizations that build trust and feedback loops; enhancing system performance data; and improving reach and capacity of learning service providers).

Building competitive, resilient, and inclusive economic systems demands a private sector with the capacity to effectively learn and adapt. This brief makes the case that to stimulate systemic change, economic development programs can and should focus on facilitating stronger learning processes within local actors (e.g., firms, other organizations, government, and civil society) and systems (e.g., sectors, local economy).

Traditionally, programs tend to apply the tools and processes of monitoring, evaluation, and learning (MEL) to enhance their own effectiveness. They less frequently consider how those same functions and capacities operate within their partners (such as firms or organizations) and target systems, and where development and business interests for learning align. Programs often provide information directly to address their partners' knowledge gaps (e.g., expert advice, information portals). They less often aim to strengthen and internalize long-term learning capacities to generate, analyze, and use information for decision-making, create trusted networks where information and signals can more easily flow, and support local stakeholders in the driver's seat.



Must We Call It Learning?

The private sector learns to solve problems, make adjustments, or change course. However, they may not use the term "learning," which can feel vague and like development-speak. Other phrases that may resonate better:

- Market Research
- Business Analytics and Intelligence
- Customer Insights
- User Experience (UX)
- A/B Testing
- Portfolio Reviews

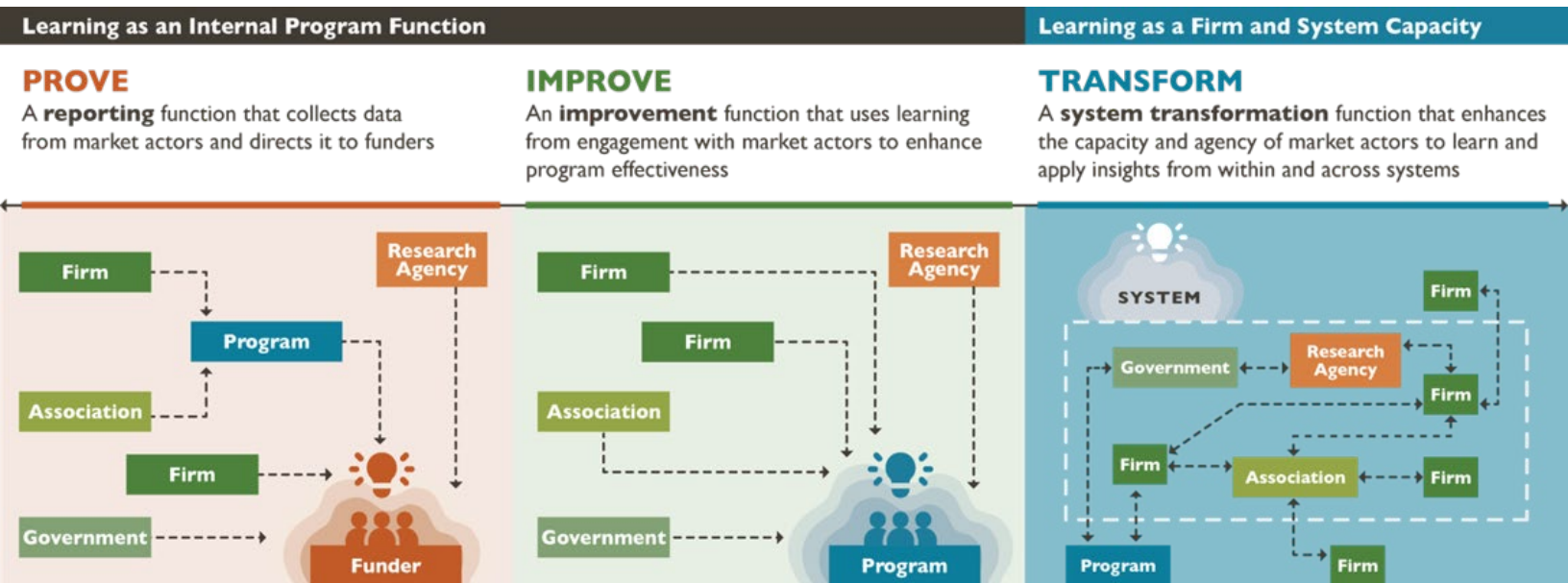
This brief posits that there has been inadequate focus on enhancing how firms, industry organizations, governments, and systems learn and offers proven strategies for action that shift the locus of learning.

This document was made possible through support provided by Feed the Future through the U.S. Agency for International Development, under the terms of Feed the Future Market Systems and Partnerships Contract No. 7200AA20C00054, managed by DAI. It was prepared by Ben Fowler, Vivekan Jeyagaran, Anna Garloch, and Meghan Bolden of MarketShare Associates for DAI. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of USAID or the U.S. Government. MSP is advancing learning and good practice in market systems development and private sector engagement within USAID, USAID partners, and market actors. For more information, visit www.agrilinks.org/msp.



For many programs, this represents an evolution in the focus and purpose of learning from being oriented primarily towards funder reporting (i.e., "prove") and program improvement (i.e., "improve") to also focusing on system transformation (i.e., "transform"), as represented in the figure below. In this vision, **system transformation requires supporting effective learning systems** in which market actors within and across systems have the mechanisms, supports, and capacities to generate, access and apply knowledge that improves their decision-making and outcomes.

This implies a **shift in agency** away from a program directing the learning process to strengthening capacities of local actors (e.g., firms, organizations) and the system itself to better learn and adapt on their own.



Drawing from specific programmatic experiences, **this brief outlines 10 practical intervention strategies** — explored starting page 6 — to support practitioners in putting this into action.

I. Why Focus on Learning to Influence Systemic Change?

This section presents three premises for why economic development programs should focus on enhancing **systems-oriented learning**. These three premises were synthesized from interviews with over a dozen subject matter experts and an in-depth literature review of over 90 books and research papers relating to firm learning, national innovation systems, absorptive capacity, dynamic capabilities, transaction cost economics, systems learning, and more. See References and Acknowledgements on page 16 for a sample of these resources.

1

Learning is a driver of more competitive, resilient, and inclusive firms and economic systems

Learning is at the heart of the process of economic development. It is argued that "development entails learning how to learn" (Stiglitz, 1987). Firms and governments within emerging economies generally seek to learn from, imitate, and adapt the economic and technological practices used in leading economies (Malerba and Nelson, 2011). Where those efforts have been successful and sectors have become internationally competitive, they have largely been driven by the "learning and capabilities of domestic firms" (Ibid). Similarly, learning enables firms and systems to adapt in the face of shocks and stressors. Firms that do not invest adequately in learning are at risk of becoming uncompetitive and ultimately failing if they lack the knowledge to absorb and cope with new technological change (Tushman and Anderson, 1986).

Examples of successful learning processes abound (see one in the adjoining text box). While better learning does not automatically enhance inclusion outcomes where there is no business case (MarketShare Associates, 2022), it can be a driver for it. For example, better firm learning systems may help firms to see the business case for expanding their product or service offering to reach underserved consumer segments, adopt more inclusive hiring practices, or expand their supplier base. And where cognitive frames¹ view certain groups like women as less productive, learning can help to challenge those mindsets.



Learning and the Growth and Resilience of the Bangladeshi Garment Sector

The Bangladeshi garment sector has greatly enhanced its competitiveness since the early 1970s. This is largely via foreign direct investment from established textile firms in Korea that stimulated knowledge transfer and strengthened the capacity of domestic firms in production, marketing and exporting. These enhanced capabilities spread through the sector, catalyzed by domestic garment entrepreneurs and investors. The sector's exports have grown by 1,374 times from 1983 to 2022 to become the sixth largest textile and garment exporter in the world and employ more than 3.5 million workers, largely drawn from poorer households, albeit sometimes characterized by poor labor practices and environmental impact. It was also able to withstand the elimination of the international policy (the multifiber arrangement) that originally helped to spur its growth (Balchin and Calabrese, 2019).

2

Learning is challenging and happens unevenly

César Hidalgo notes that "accumulating knowledge and knowhow in a network of people is not easy. Ultimately, it is this challenge that makes the growth of information difficult and the problem of economic development hard" (2015). Learning happens at the individual, organizational, and system levels, and there are challenges that impede knowledge acquisition at each, including:

- Learning is a social activity, meaning that *less learning occurs in contexts characterized by low trust and uncollaborative relationships between market actors, where feedback loops are weak and sharing is less*

¹ Cognitive frames may refer to largely unconscious perceptual screens that determine how one views or understands a situation (Hoff et al., 2011)

common. This can be exacerbated by language and cultural differences and poorly functioning educational and financial systems. Sharing knowledge gained through informal learning processes is not always easy. As Michael Polanyi (1967) notes, sometimes "we know more than we can tell."

- **Learning is largely path-dependent. Economic activities already being practiced tend to influence future learning.** The Atlas of Economic Complexity demonstrates this in that changes in countries' economic activities can be largely predicted by the products they already export (Hausmann et al, 2013).
- **Cognitive frames influence how we interpret and value information.** They, alongside social norms, influence individuals' values, beliefs, and assumptions. As a result, these cognitive frames bias the amount and type of investments in learning.
- **Organizational context greatly shapes the capacity for learning.** Business learning is shaped by factors such as financial capability; quality and availability of advisory services and information; sector maturity; existence of and participation in horizontal and vertical networks; and absorptive capacity (i.e., ability to identify, assimilate, transform, and use external knowledge, research, and practice) (Cohen and Levinthal, 1990). Factors influencing absorptive capacity include prior knowledge and organizational management (e.g., knowledge management) (Van Den Bosch et al., 2003).

For these reasons, learning happens unevenly; large variations in knowledge and productivity can thus persist for long periods across countries, systems, firms, and individuals (Stiglitz and Greenwald, 2014).

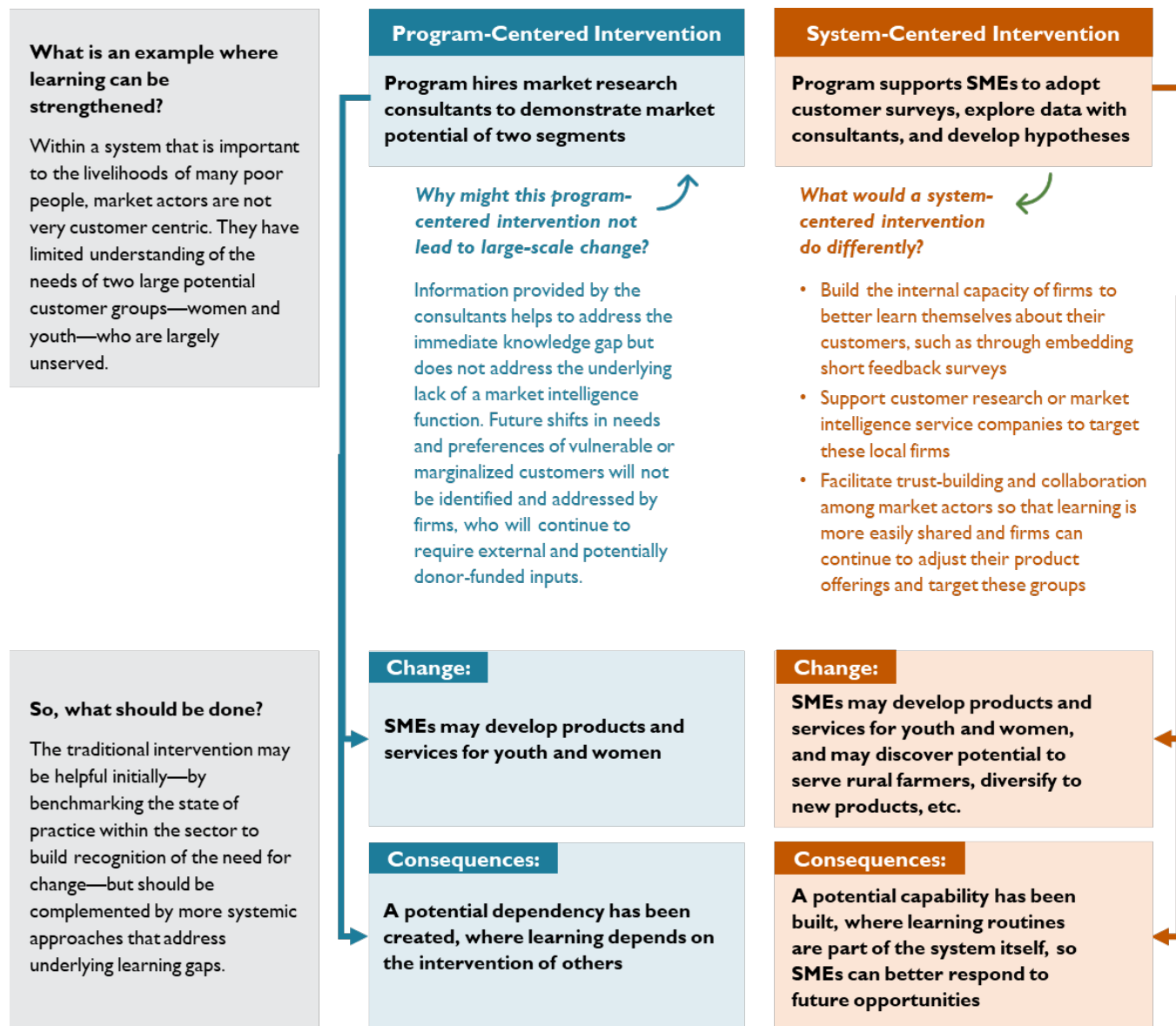
3

Economic development programs can foster more effective learning

Learning gaps tend to persist absent external intervention: "[m]arkets on their own will not create a learning society, or, even if they do, they will do so more slowly and less extensively than they should" (Stiglitz and Greenwald, 2014). Therefore, economic development programs and governments can play an important role to enhance learning systems. **Doing so typically requires strengthening firm-level and/or systems-level capabilities and improving trust, cooperation, and feedback loops among market actors.** Specifically targeting some of the aforementioned factors, and others this brief discusses, can enhance the rate and quality of systems-level and firm-level learning.

Programs that collaborate with private sector companies and other market actors — such as market systems development (MSD), private sector engagement (PSE), trade, and other economic growth programs — have fostered more effective learning in ways that improved economic performance and development outcomes. These programs have used monitoring and evaluation, and collaborating, learning, and adapting (CLA) as tools to achieve development outcomes, rather than as just cross-cutting internal support functions. These are illustrated in the Learning as an Internal Program Function vs. Learning as a Firm and System Capacity figure on page 2. Their interventions, partnerships, and program-facilitated innovations have fostered improved system- and organization-level learning in the direction of improved competitiveness, resilience, and inclusiveness.

The next section presents many of these practical examples. The figure below illustrates "what's different" about programs that adopt this shift from a focus on program-centered learning (i.e., "prove" and "improve") to a focus on system-centered interventions that can have a transformative, lasting impact on the economy.



II. Where to Start: Understanding a System's Learning Dynamics

Adequately understanding existing learning dynamics, strengths, and gaps in a system is typically an important first step to action.

Simple approaches that can be used to get started include asking firms: when is the last time you surveyed your suppliers/customers? What evidence informs decisions on targeting strategy? What institution(s) do you trust to inform

smart industry responses to big issues facing your sector? Programs may also integrate questions into industry workshops to explore stakeholder perspectives on the three preliminary system features highlighted in the text box below – innovation, cooperation, and cross-system connectivity.

Programs may also check what data are already being collected within the system, by whom, and to what extent that information is shared and influencing decision-making. Social network analysis, for example, can map how information flows in a system. [One conducted for USAID in Sierra Leone](#) uncovered exclusive information networks that meant many market actors did not receive information disseminated by key actors in the system. A complementary approach is for a program to adopt their own set of sentinel indicators² that capture systemic information, such as a business innovation index, business churn, or metrics to assess and monitor trust and cooperation and the quality and strength of relationships (see examples in Section 3.2 of [this baseline report](#), or in USAID’s [market systems resilience measurement framework](#)).



How Do You Know if a System is Learning?

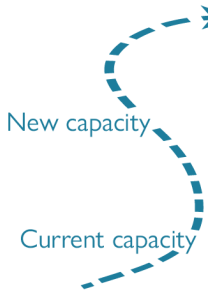
Much research still needs to be done to solidify an evidence base, but early indications point to three features:

- **Innovation:** System actors are innovating (e.g., in products, processes, marketing, business models, etc.).
- **Cooperation:** Actors are interacting differently (e.g., more collaborating, information sharing, or investing in and buying from one another, new forms of information flows, more connections, new nodes, stronger feedback loops, etc.).
- **Cross-system connectivity:** The system is less isolated from other systems and experiencing mutually beneficial collaboration.

² Sentinel indicators are a type of proxy indicator used as a bellwether of change occurring in a complex system.

III. Moving Forward: Putting it into Practice

A program can strengthen learning capacities as a hands-on intervention strategy that supports decision-making by economic actors and advances development outcomes. Using practical examples from around the globe, 10 intervention strategies are presented below, organized around two levels: market actor-level (e.g., firms, other organizations) and system-level.³

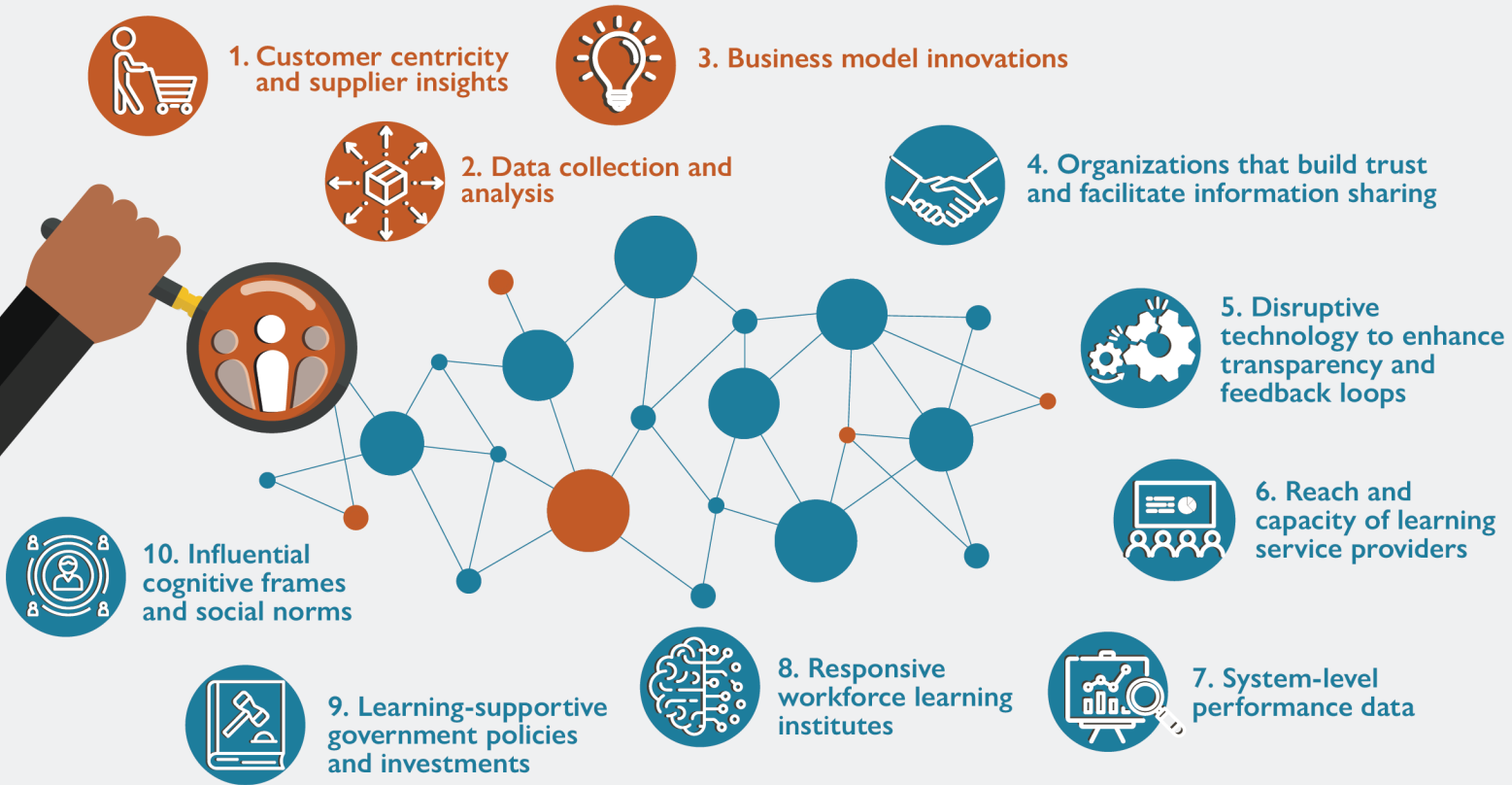


Catalyzing Learning Performance Across the Private Sector: 10 Intervention Strategies

Building competitive, resilient, and inclusive economic systems demands a private sector—firms, organizations, and the broader system itself—with the capacity to effectively learn and adapt. This implies a shift in agency away from a program directing the learning process, to strengthening the long-term capacity of local actors. Here is a menu of practical, proven intervention areas to consider, prioritize, and contextualize. Strategies are organized around two levels.

Market actor-level, by strengthening demand for and internal capacity regarding:

System-level, by supporting incentives, processes, and mechanisms that enable local stakeholders to drive progress in:



³ USAID's Local Capacity Strengthening (LCS) Policy focuses on the capacities of actors who have agency — individuals, organizations, and networks. This brief aligns by using the term “organizations,” acknowledging others may prefer “institutions.” The brief uses “systems,” acknowledging those in the LCS space may prefer “networks.”



Enhancing the learning performance of individual market actors (e.g., firms, other organizations)

The learning performance of a system ultimately depends, to an important extent, on the degree of learning happening by the market actors within it. In many cases a core impediment to enhanced system learning is market actors' lack of interest or capacity for learning in service of inclusive innovations. Where this is limited, programs may establish the business case for integrating learning into firms' business models and strengthen their absorptive capacity for learning. When organizations representing multiple market actors, such as associations, are either non-existent or unsuitable as program partners, individual market actors are often an appropriate entry point.



When thinking about enhancing learning capacities, a helpful question to ask:

Is a potential intervention fixing a single knowledge gap, or addressing longer-term absorptive capacity and/or commitment to learning?

Initiatives using this entry point typically aim to **strengthen a commitment to and capacity for continual learning and adaptation among their partners**. This learning may start with a focus on customer centricity (see examples below) but can be applied more broadly towards market opportunities (e.g., looking at new product innovation opportunities, etc.) and other relevant business areas (e.g., risks such as climate change and the need for evolving business models to respond to shifts in the competitive landscape). Such interventions differ from many common interventions (e.g., exposure visits, embedded consultants, expert advice, etc.) in that their aim is to **enhance a market actor's capacity for learning instead of creating a single or initial learning experience**.

Enhancing customer centricity and supplier insights

A frequent entry point to enhance a firm's commitment to learning is to strengthen capacity for **customer centricity**, so businesses can deepen their understanding of their customers' needs and in turn enhance customer loyalty and lifetime value. For example, the DAI-led **Feed the Future Uganda Inclusive Agricultural Markets (IAM) Activity**, through partner MarketShare Associates (MSA), is supporting select firms to implement a customer **learning approach called Fast Cycle Learning** to effectively roll out inclusive business models. Firms, with IAM's facilitation, run short surveys to learn from their customers, analyze the survey findings to identify insights, and adjust their business strategies accordingly. Certain findings are **benchmarked against the performance of other firms to assess relative success**. For example, one outgrower firm wanted to understand who was buying its products and whether satisfaction and agricultural results varied by factors including sex, age, and geography. Through this process, it discovered the customer archetypes that were more and less successful, and that satisfaction differed by age and geography. This influenced its marketing and customer targeting strategies.

Similarly, as a consistent feature of its partnership model with private sector firms under its \$30 million Partnership Facility, the DAI-led **Feed the Future Market Systems and Partnerships (MSP) Activity** includes **firm-led supplier or customer insight surveys** as one of the first and last required milestones in all partnerships. These insight surveys enable firms to discover useful information about the motivations, preferences, and capacities of the customer or supplier base that can minimize risk, shape more win-win

business outcomes, and fine tune the business model. The survey is short (e.g., 5-10 questions) and led directly by firms. MSP nudges firms to act on these insights by requiring firms to articulate how findings will affect business decisions in a milestone report and by hosting learning-focused ‘touchpoint’ discussions every six months. One firm — a processor in southern Africa — has subsequently adopted bi-annual surveys of their suppliers as a standard practice and added “farmer satisfaction” as one of the firm’s Key Performance Indicators. Building on insights from the original insight surveys, they shifted their approach for geographic targeting of beehives, training women, and diversifying lead farmers to include women.

Supporting data collection and analysis capacity

Market actors who wish to learn more and better are often impeded by a lack of necessary skills, strategies, and systems. These can be bolstered at multiple points, including scanning for risks and opportunities that require learning, effectively collecting information, organizing and analyzing it, and using it. For example, the RTI-led [Feed the Future Senegal Naatal Mbay Activity](#) worked with [producer networks to enhance their internal learning function around their suppliers \(members\)](#). Their ability to serve their members depended on having accurate data on the total land area to be insured, the quantity and types of inputs needed, the volume of credit required, and understanding member needs. Naatal Mbay [supported producer networks](#) with a training package and information technology tools to simplify data collection and analysis, used by producer network managers in seasonal debriefing sessions at the end of the harvest to inform the following year’s plan. Autonomous management of digital data acquired by producer groups was expected to [simplify integration into future decentralized digital systems](#) by input suppliers, banks, insurance companies, and industrial clients.

Another example is the DAI-led [Feed the Future Mozambique Agricultural Innovations \(Inova\) Activity](#), which built the learning capacity of several partners including national input distributor Casa do Agricultor (CdA). CdA initially relied predominantly on agrodealers and farmers visiting their regional shops in larger urban centers to place orders and pick up inputs. Rural customers were traveling far distances, paying high transport costs, and often stuck purchasing stock available regardless of whether it fit their needs. Inova partner MSA supported CdA to learn by collecting customer data (e.g., in-person interactions, surveys, call center data, and sales data); improving its customer relationship management technologies used for tracking interactions; and making decisions on delivery routes, orders, and inventory management using customer feedback and demand. Inova facilitated customer satisfaction tracking using rapid feedback surveys, site visits, and existing data.

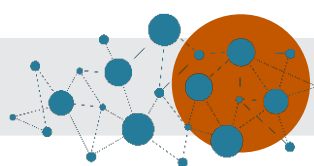
CdA’s enhanced understanding of customer pain points prompted them to implement a new business model⁴ selling inputs in response to ‘last-mile’ demand. Following the end of support, CdA continued to collect data from those touchpoints, oversee and analyze it using a simple dashboard, and apply learning to focus on the most profitable routes.

⁴ The pull distribution model improved CdA’s distribution and profitability through customer learning. CdA optimized trucking routes using a demand, evidence-driven approach, enabling improved agrodealer inventory management. Routes were run regularly at set times to deliver certified goods to more rural agrodealers, who ordered for delivery from CdA’s catalogue at no added cost.

Business model innovations

The pressure to remain competitive is often a strong driver for firms and organizations to invest in learning and remain innovative. Mechanisms that pair public or donor financing with private investment can buy down the risk of piloting innovation. These mechanisms may include pay-for-performance, matching grant funds, challenge funds, or local accelerators. These can support experiential learning, which would not otherwise be possible using traditional financing, around what works and does not as firms refine business models or build both the capability and will to adopt or scale new practices or technologies.

Programs may also look to strengthen relationships between firms and specialized actors such as investors or skilled specialists providing technology transfer and tacit knowledge. [Gatsby Africa](#), for example, helped mid-tier Kenyan firms in aquaculture to build relationships with global best practice advisory service providers to enhance their capacity to apply data analysis to growing fish based on best practice. This enabled firms to become efficient and profitable entities who were also capable of mitigating bio-safety risks.



Enhancing the learning performance of target systems

An additional approach that deserves far more attention is to apply intervention strategies that enhance the learning capacity of the system itself. **Such strategies increase potential for large-scale change**, but can be slower and more difficult than working with single market actors. It is important to design these strategies in the larger context of understanding what is driving system dynamics, and iteratively explore partner suitability.

Enhancing organizations that build trust and facilitate information sharing

Organizations that bring together multiple market actors such as formal industry associations and informal networks, can play a critical role in supporting effective knowledge dissemination. Their convening power can build connections among competitors that support collaboration. They can identify and address issues that affect growth. This often requires incentivizing learning and making it part of the political agenda.

For example, the ACDI/VOCA-led [USAID/Honduras Transforming Market Systems \(TMS\) Activity](#) found the need for collaborative learning to develop systems insights and to mobilize collective action across a network of Honduran system actors to better support Honduran entrepreneurs. TMS' social network analysis mapped the relationships and dynamics of the network of supporting service providers, diagnosing where there were needs to deepen collective learning. TMS then facilitated a **peer-to-peer learning network across actors in the entrepreneurial ecosystem** including universities, municipal government, business services centers, and companies investing in youth through corporate social responsibility (CSR) initiatives. TMS exercised its convening power by creating visibility for the network. This network eventually became a collective initiative called “Ecosystems Builders Community,” with improved information flows between actors, greater transparency, coordination of services, and strategic alliances. For example, a business service center and municipal actors worked together to offer permits for entrepreneurs, and universities collaborated with CSR initiatives to link youth to new skills development and entrepreneurial opportunities.

This example highlights the important interplay between the private sector, public sector, and civil society that leads to collective learning.

Another example is from Kenya's water sector, a complex system that struggled from a lack of management information, low transparency and accountability, and weak incentives for performance. Several initiatives by [Kenya Markets Trust](#) worked to enhance the performance of water service providers (WSPs). Given the complicated political economy of the sector and fragmented structure consisting of many WSPs across different geographies and contexts, the **existing governance bodies proved a helpful entry point** to facilitate learning. These bodies **introduced a governance indicator** to track performance across WSPs, supported WSP performance improvement, and shared lessons with the sector including via training.

Increasing transparency and feedback loops between market actors

Increasing transparency and feedback loops in a system enhances signals that support learning and may shift market actors' behavior. Signals may either reinforce or challenge existing patterns of behavior. In thin markets there are often few signals: this can maintain the status quo even when it produces poor outcomes. New technologies are often an effective driver to amplify, redirect, or change the signals being generated.

For example, the Tetra Tech-led [Feed the Future Uganda Ag Inputs Activity](#) sought to address the prevalence of adulterated or counterfeit seeds which led to poor crop yields and eroded farmers' trust and confidence, yet left them with few alternatives but to make repeat purchases. This signal reinforced retailers' extractive behaviors. To address this, Ag Inputs facilitated the **introduction of seed e-verification (locally known as KAKASA) as a digital IT solution** that tagged products with a unique identifying code that was difficult to replicate. This enabled consumers to verify that the product was genuine, at the point of sale by using a mobile phone short message service through KAKASA. This increased transparency and flow of information to the farmer aimed to improve system feedback and push back against extractive behaviors. It sent a signal to input retailers and agrodealers to stock legitimate seeds. Findings from a post-educational campaign survey indicated that KAKASA had a positive impact on sales, profitability, and customer retention. Suppliers were convinced of e-verification's value to its brand, business, and customers, although educating farmers on the e-verification system's utility remained a need.

[Habitat for Humanity's \(HfH\) Terwilliger Center for Innovation in Shelter's](#) work in the housing sector offers another example. Research using MSA's [Behavioral Analysis and Norms Diagnostics \(BAND\) tool](#) found that Kenyan low-income households' decisions on which building materials to use were particularly influenced by the masons (referred to as *fundis*) that they hired. Households were reluctant to criticize the quality of the fundis' work to not insult family and friends who recommended them. Fundis doing poor-quality work stayed in business and there were few feedback loops to inform decision-making. HfH Kenya worked with a vocational provider to develop an online training and **deployment portal and phone-based app** so households could select from a pool of fundis beyond their social networks and rate services (which they were more likely to do because they were not referred by personal contacts). This rating system enhanced system learning by rewarding those fundis who did good work and ensuring that other consumers could make more informed purchasing decisions.

Generating system-level performance data

One powerful strategy to improve a system's learning strategy is to enhance its capacity for self-understanding and diagnosis, enabling responsive decision-making and appropriate investments.

The **USAID/Honduras TMS Activity** recognized that enhancing the system's self-reliance to collect, interpret, and act on data for prioritized metrics, would enable the actors to, for example, build relationships and networks, set growth agendas, recover from crises, and manage their own performance. TMS prioritized metrics and data capabilities as a strategic intervention area to shift the agency of learning.



TMS's experience showed that localizing learning and research requires programs to change:

WHO decides the research questions

HOW research is conducted

HOW data is interpreted, and

HOW data is used for action.

TMS initially found that data was abundant in Honduras but also siloed and inaccessible. Data were often analyzed in basic descriptive terms that did not generate significant insights to really guide decision-making. Donor-funded studies were well-resourced, large-scale, and filled this information gap but reinforced a dependency on donor-funded external consultants and third countries. TMS **strengthened the capacity of a national university to enhance its economic observatory and establish a national research platform involving a network of 18 chambers of commerce to conduct studies and formative analyses.** TMS's approach enabled local actors to “**learn by doing.**” This enabled local investment in research and encouraged a broader shift in the local system that supported Honduran market actors to generate the evidence and rigorous economic analysis and engage in evidence-based dialogue for policy reform. This collaborative research initiative led to the formulation of a National Enterprise Strategy and positioned this research network within a continuous monitoring function to assess the competitiveness, resilience, and inclusiveness of the Honduran economy.

Benchmarking is another powerful tool. The **Government of Vietnam** set national performance objectives using global rankings (e.g., the World Bank's Ease of Doing Business scores) and created an annual Provincial Competitiveness Index that is updated annually by the Chamber of Commerce (Vu and Hartley, 2018).

Strengthening capacity and reach of learning service providers

Some learning functions cannot be effectively outsourced, yet some can be performed better (and sometimes more cheaply) by an external service provider. This sometimes includes market or customer research, product development, and building go-to-market strategies. Where these providers are non-existent, poorly networked, or have weak capacity, strengthening their capacity, cross-provider networks, and client outreach strategies can bolster a systems' learning capacity. Providers can include research organizations, business development services, government organizations, universities, and consultants.

The UK government-funded and Adam Smith International-led [Enhancing Nigerian Advocacy for a Better Business Environment](#) (ENABLE2) program focused on improving the quality and quantity of business advocacy, highlighting the importance of interplay between public and private actors in producing, sharing, and using learning. Good quality research existed at the national level, but was widely inaccessible at regional and local levels, due to language, length, lack of visualizations, and limited efforts to disseminate

research. Advocacy organizations and the government had limited incentives to access and use the research. ENABLE2 supported [research organizations to produce more effective business environment research as service providers, which improved the quality of advocacy and dialogue events](#). ENABLE2 strengthened partners' understanding of the business environment research market and the research units of government and advocacy organizations, and developed links between research partners themselves, to create feedback loops and efficiencies within the research network. The program also provided technical advisory support on product development, with a gender-inclusive and pro-poor lens, research dissemination, and fundraising and marketing to enhance their reach.

The aforementioned **Inova** program in Mozambique observed that agrodealers lacked access to affordable and competent business service providers, which dampened uptake of business model innovations to reach last-mile markets. Meanwhile, higher education institutes (HEIs) were disconnected from the private sector and did not offer courses that responded to agribusiness needs. Inova worked [with HEIs like the UniLúrio Business School \(UBS\) to co-invest in a technical service provision model](#) using junior consultants and interns, who provided tailored advice and solutions for input suppliers, agrodealers, and output buyers. UBS and other HEIs integrated hands-on internship programs into their curricula and invested in coaching student interns, tailored to the agribusiness sector. This [generated income](#) for UBS as they now offer profitable service packages that are positioned to continue without Inova's support. Leveraging the incentives, convening power, and learning capacity of HEIs enabled agrodealers to tap into new learning opportunities that triggered innovations, such as introducing customer-centric management practices (e.g., databases, customer service, shop layouts), testing low-cost marketing tactics (e.g., mini-raffles), and expanding input firms' footprints at the last mile through village-based agents.

Enhancing responsive workforce learning institutes

While much of what individuals learn happens on the job, educational institutes greatly shape interest in and capacity to learn of future workforces. Strengthening the feedback loops between the learning needs of market actors and the responsiveness of educational institutes can enhance system learning capacity.

For example, Cardno-led [USAID/Serbia Competitiveness Systems Strengthening \(CSS\) Activity](#) found that agribusinesses felt constrained by a workforce that lacked adequate skills. CSS recognized that cooperation and interconnectedness had to be improved to stimulate impactful knowledge exchange and better align the educational system with industry needs. To do so, CSS worked with Belgrade University to set up a [flexible technical service center](#) called AgroNET that provided short-term certification courses for agribusiness staff. To better understand industry needs, AgroNET surveyed over 100 companies and tailored the curriculum to assist SMEs to adopt demand-driven new practices and technologies. Courses typically included private sector experts and field visits. CSS gradually reduced then ended its investment while AgroNET adopted a fee-for-service model and partnered with the Chamber of Commerce to institutionalize and sustain the initiative. AgroNET has continued to expand its portfolio amid high demand.

Facilitating learning-supportive government policies and investments

Government plays a critical role in shaping the learning that happens at all levels, whether intentionally or unintentionally (Stiglitz and Greenwald, 2014). Economic development programming can play a strong role in facilitating government's actions and investments in areas that shape system learning. [These can include](#)

directing government procurement spending; ensuring macroeconomic stability, designing and implementing industrial policies; investing in education and basic research; supporting financial sector development that allocates adequate capital to innovative small and growing businesses; and many others.

Shifting cognitive frames and social norms that influence the culture of learning

Both individuals' cognitive frames (i.e., how they interpret the world around them) and broader social norms (e.g., valuing tradition over innovation; or discouraging trust and cooperation between certain groups) greatly shape whether and how learning happens. Among an array of strategies that goes beyond the focus of this paper, **behavior change communication (BCC) strategies** are frequently employed to influence such shifts. Economic development programs are increasingly collaborating with private, public, and civil society actors to embrace BCC-style media campaigns for system-wide influence. The International Finance Corporation's **Central Asia Financial Inclusion** program, for example, supported a series of media campaigns after discovering that it was not the lack of a product market fit that limited the use of formal bank accounts, but rather underlying social norms limiting the ability of financial organizations to convincingly reach potential customers with new information, and those customers' ability to absorb and learn from this information. These same dynamics and social norms can also affect organizations' ability to learn.

This menu of 10 possible intervention strategies represents a key starting point, but it is not comprehensive, and no example is perfect. For example, other possible intervention areas of value but not prioritized in this paper could include strengthening the investment climate and in-country capacity to drive research and development.

IV. Conclusion

Learning can be a significant leverage point to influence a system's competitiveness, resilience, and inclusion if the locus of learning is shifted from programs to market actors and systems. It can influence the signals that travel through a system and how actors understand and use them in a manner that endures beyond the life of donor-funded programs.

While much remains to be learned on how best to do this, this learning brief has explored several reasons why it is important, and demonstrated multiple, practical strategies through which economic development programs can facilitate market actor-level and systems-level learning.

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Acknowledgments

The following individuals and organizations made valuable contributions through valuable critical reviews of the brief: Arjun Bhoopal, James Foster, Ellie Horrocks and Raji Rajan of Gatsby Africa; Ryan Bourque, Melanie Bittle and Zaki Raheem of DAI; Dun Grover of ACDI/VOCA; Avery Ouellette of RTI International; Matt Ripley of International Labour Organization; Kristin O’Planick, Katie Hauser, Lane Pollack, Jessica Bagdonis, Henry Heilbroner and Melissa Schweisguth of USAID; Dr. Shawn Cunningham of Mesopartner. Thanks are also due to the following individuals for sharing their practical experiences in formative interviews during the research: Dun Grover and Aleksander Pavlovic of ACDI/VOCA; Lane Pollack and Josh Woodard of USAID; Frank O’Brien and George Makore of DAI/Southern Africa Trade and Investment Hub; Robin Wheeler and Charles Polet of Carana/West Africa Trade and Investment Hub; Laura Harwig; Richard Rose of Swisscontact; Justin Van Rhyn, Elvis Karanja, Zakaria Tavberidze, Alex Boyd, Mike Klassen and Momina Saqib; David Okutu of Mercy Corps; Heather Esper of William Davidson Institute. We share thanks to Queena Li of MarketShare Associates and Keilah Niyomutabazi of DAI for their valuable contributions in visually illustrating and representing key ideas throughout the brief.

Recommended Citation

MarketShare Associates (2022). *Shifting the Locus of Learning: Catalyzing Private Sector Learning to Drive Systemic Change*. Washington, D.C.: United States Agency for International Development (USAID). Prepared by Fowler, Ben, Vivekan Jeyagaran, Anna Garloch, and Meghan Bolden for DAI through the Feed the Future Market Systems and Partnerships (MSP) Activity, 2022.