

# Position paper

## *What is 'systems change' and why should we bother?*

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### Summary

Recently a friend who has spent her entire life as an activist, referred to systems change as 'pie in the sky stuff'. It promoted us to reflect on the question – what does systems change really mean at a practical level?

Anyone who has been around the social sector for the past 30 years should be aware of the idea of systems change – it's not new. But there seems to be a renewed interest in it at the moment, partly through Catalyst 2030 starting up in Australia.

Changing 'systems' is not a quick fix. The global systems we live with have been in the making for many years through the interplay over time of political philosophy, economic theory, ideology, theology and financial practices. These are all ingredients in the world's current major systems –neoliberalism, capitalism, fascism, communism, or socialism.

It is not possible to understand what is happening in any of these systems by looking at their individual parts. To understand what is happening we need to [understand how the different parts of the system interact and affect each other.](#) which actors are affecting the system and what motivates them.

But how do you do that?

We propose two practical ways to get to grips with systems change: combining '[Critical Theory](#)' with the '[power and systems approach](#)'. Through that combination we can engage with global systems at a local level. The process must involve self-reflection as much as reflection of the external system we seek to change.

### Top take-aways

- Activists need to become better 'reflectivists', taking the time to understand the system before (and while) engaging with it.
- We need to be clear what system we want to change and if we are part of or benefit from that system.
- The legitimate starting point for systems change is emancipation - to liberate people from the circumstances that enslave them.
- What climate change, gross inequality, or poverty are for us, slavery was once to the anti-slavery movement. Systems *can* be changed when small cogs in a large machine start to function differently.

## The starting point for this paper - question time

We recently told a friend of some 35 years that we were joining Catalyst 2030 – a global coalition of social enterprises all working together on delivering a systemic approach to the UN's [sustainable development goals \(SDGs\)](#) for 2030.

'Pie in the sky stuff again', was her response.

This was from a woman who has spent her entire life as an activist, tirelessly working for women and LGBTI rights. Someone who has addressed poverty in one of the world's most impoverished countries. Someone who tirelessly advocates with and works alongside asylum seeker and refugee groups. In short, an activist who has spent her life seeking to change the causes of suffering for people who are on the wrong end of the global and local 'system'.

It prompted us to consider whether Catalyst 2030 was another doomed effort to change a 'system' we currently live with. Our current system is a product of over 35 years of an ideology in practice called neo-liberalism. A system from which we have benefited as white educated westerners. A system we have struggled to change.

It prompted the question (again) - what really is systems change and why should we keep trying?

## What is systems change?

Anyone who has been around the social sector for the past 30 years should be aware of the idea of systems change. The concept of systems change is not a new idea.

An Austrian, [Ludwig Von Bertalanffy](#), is the father of General Systems Theory and Systems Thinking, which began more than 60 years ago. Bertalanffy helped form the Society for General Systems Research in 1954, with the goal of finding a unified science for all complex living things on earth. Over the past decades this approach to understanding the interdependence and connectedness of individual components and functions of an organisation or society has been used across numerous fields of enquiry. These range from organisational culture, cybernetics, the environment, international aid and development, and since the 1970's more and more on social, political and economic realities.

Duncan Green in his book [How Change Happens](#) devotes an entire chapter to history, because '*history reinforces both curiosity and humility, an antidote to the hubris that sometimes afflicts the activist bubble*'. In other words, if we want to engage with systems change and systems thinking, we need to start by learning with humility from those who have gone before us.

Duncan also rightly offers this further piece of advice: '*we activists need to become better 'reflectivists', taking the time to understand the system before (and while) engaging with it. We need to better understand the stop-start rhythm of change exhibited by complex systems and adapt our efforts accordingly. And we need to become less arrogant, more willing to learn from accidents, from failures, and from other people. Finally, we have to make friends with ambiguity and uncertainty, while maintaining the energy and determination so essential to changing the world*'.

## Identifying a system

It is the combined interplay over time between political philosophy, economic theory, ideology, theology and financial practices that systems are generated.

These are all essential ingredients in the world's current major systems – whether neoliberalism, capitalism, fascism, communism, or socialism.

Each of these systems are made up of multiple inter-linked parts and actors that influence each other (e.g. formal and informal institutions, natural processes, people and behaviours). For instance, a market system is made up of companies, government agencies, rules and regulations and physical assets (such as infrastructure) as well as environmental, social and political factors that will influence how the market operates and who participates in it.

It is not possible to understand what is happening in any of these systems by looking at their individual parts. To understand what is happening we need to [understand how the different parts of the system interact and affect each other](#), which actors are affecting the system and what motivates them.

Put another way, a 'system' is an [interconnected set of elements coherently organised in a way that achieves something](#). It is more than the sum of its parts: a body is more than an aggregate of individual cells; a university is not merely an agglomeration of individual students, professors, and buildings; an ecosystem is not just a set of individual plants and animals.

We can talk about social, environmental and political systems. These all interact in turn to form bigger market, governance and ecological systems.

## What system are we attempting to change?

The system we are targeting in our historical context is neo-liberal political economics – a system still dominant in western democracies despite some nuanced Keynesian responses (like Job Keeper) to the Covid-19 pandemic.

In simple terms, the basic tenants of the [neoliberal approach](#) to ordering the economic, cultural, social and political activities within a nation are promotion of free market practices, 'small government', reduction of public spending for social services, deregulation, privatisation and the replacement of the 'common good' with 'individual responsibility'. Neoliberalism manifests itself as a concrete set of public policies expressed in what has been identified as the 'D-L-P Formula': (1) deregulation (of the economy); (2) liberalisation (of trade and industry); and (3) privatisation (of state-owned enterprises).

Related policy measures include:

- Tax cuts (especially for businesses and high-income earners).
- Reduction of social services and welfare programs.
- Replacing welfare with 'workfare'.
- Use of interest rates by independent central banks to keep inflation in check (even at the risk of increasing unemployment).
- The downsizing of government.
- Tax havens for domestic and foreign corporations willing to invest in designated economic zones.
- New commercial urban spaces shaped by market imperatives; anti-unionisation drives in the name of enhancing productivity and 'labour flexibility'.
- Removal of controls on global financial and trade flows.
- Regional and global integration of national economies.
- The creation of new political institutions, think tanks, and practices designed to reproduce the neoliberal paradigm.

The systemic outcome is global inequality and global environmental damage across all of the areas identified as requiring urgent action in the [Sustainable Development Goals](#).

This does not imply other political economic systems do not require change as well, but the reality is we start the change within the system in which we are embedded and live.

Catalyst 2030 identifies systems change as: *'addressing root causes rather than symptoms by altering, shifting, and transforming structures, customs, mind-sets, power dynamics and rules through collaboration across a diverse set of actors with the intent of achieving lasting improvement of societal issues on a local, national and global level'*. This in turn requires 'systems thinking'.

Systems thinking can lead to *analysis paralysis* as people research more and more deeply into the system, generating a mass of complex data that is difficult to interpret and come to conclusions about. It can be difficult to identify the causes and dimensions of the problem.

Systems change is no quick fix or simple task. But neither is it so complex we have no place to begin.

## How do we go about systems change?

One place to start is combining the elements of what is called '[Critical Theory](#)' with the '[power and systems approach](#)'.

### Critical theory

Critical Theory has a narrow and a broad meaning in philosophy and in the history of the social sciences. In the narrow sense it designates several generations of German philosophers and social theorists in the Western European Marxist tradition known as the Frankfurt School.

Critical theory is oriented toward critiquing and changing society as a whole, in contrast to traditional theory oriented only to understanding or explaining it. According to the Frankfurt School, a 'critical' theory may be distinguished from a 'traditional' theory according to a specific practical purpose: a theory is critical to the extent that it seeks human emancipation, '[to liberate human beings from the circumstances that enslave them](#)'.

Because such theories aim to explain and transform *all* the circumstances that enslave human beings, many 'critical theories' in the broader sense have been developed including feminism, critical race theory, post-colonial criticism, and on the streets of cities in the Black Lives Matter movement, for example.

According to Max Horkheimer and Theodor Adorno, 1969, the founders of the [Frankfurt School](#), a critical theory is adequate only if it meets three criteria - it must be explanatory, practical, and normative, all at the same time. That is, it must explain what is wrong with current social reality, identify the actors to change it, and provide both clear norms for criticism and achievable practical goals for social transformation.

A further distinction introduced by [Jürgen Habermas](#) in 1971 foregrounds hermeneutics – the science of interpretation. Any act of interpretation is value-laden and the role of the interpreter (that is you and me) is active not passive. This applies to literary studies and all the major social sciences, including geography, economics, sociology, history, political science, anthropology, theology and psychology. We all have preconceived ideas about problems and solutions. Often, our analysis of a particular system will reflect our own bias rather than the reality of what is happening. This can limit our understanding, and ultimately makes us less effective at systems change especially when we may benefit from that system.

In simple terms, critical theory attempts to interpret the world (why are things the way they are and whose interest does it serve?) for a purpose. That purpose is emancipatory. It is value-laden rather than relativistic – it seeks to transform society on the principals of justice, fairness, the righting of wrongs and the meeting of needs – rather than simply understanding society as an end in itself. As such, critical social theory reflects Karl Marx's [11<sup>th</sup> Thesis on Feuerbach](#): *Philosophers have hitherto only interpreted the world in various ways; the point is to change it.*

Our point of view is that this supports our basic assumption regarding academic enquiry and in the overall realm of values and ethics - theory must have a stomach. Theory located in society and its organisation (systems) must be located in human experience, an experience where there are many men, women and children whose stomachs are empty while other stomachs are bloated with the excess of free market ideology.

Why are things the way they are, and, whose interest does it serve?

Distinctly and fundamentally for us, these two questions are applied for emancipatory reasons – and as such can be the philosophical and ideological starting point for a commitment to achieve the 2030 Sustainable Development Goals.

The two simple, but often potentially explosive questions, can be integrated into systems thinking and in turn change systems, because they are fundamentally questions about power.

## Power and systems approach

Walk into any household, village, boardroom, or government office, suggests Duncan Green, and you will enter a subtle and pervasive force field of power that links and influences everyone present. Friends and enemies, parents and children, bosses and employees, rulers and ruled. No matter the political system, power is always present. Power sets parameters on how social and political relationships evolve.

The [power and systems approach](#) emphasises that, in order to generate social or systems change, we first need to understand how power is distributed and can be re-distributed between and within social groups, and essentially includes those who are victims of the abuse of power.

The most evident and most discussed form of power is what we might call '[visible power](#)' - the world of politics and authority, policed by laws, violence, and money

Activists seeking social and political change usually focus their efforts on those who wield visible power - presidents, prime ministers, and chief executive officers - since they hold apparent authority over the matter at hand. Yet the hierarchy of visible power is usually underpinned by subtle interactions among a more diverse set of players.

'[Hidden power](#)' describes what goes on behind the scenes: the lobbyists, the corporate chequebooks, the old boys network. Hidden power also comprises the shared view of what those in power consider sensible or reasonable in public debate. [Karl Rove](#), aide to President George W. Bush, in response to an interviewer's question about how people's power changed society based on 'reality' for them, captured the role of hidden power when he pointed out *'that's not the way the world really works any more. We're an empire now, and when we act, we create our own reality.'* Hidden power is why amassing research and evidence is rarely sufficient to change government policy. Discussion of the facts usually takes place in parallel to a shadowy world of competing narratives that have little basis or interest in evidence.

As important as 'hidden power', and certainly more insidious, is '[invisible power](#)', which causes the relatively powerless to internalise and accept their condition. Invisible power often determines the capacity of change movements to influence visible and hidden power. It shapes the belief systems about what is 'normal' or 'natural', leading some groups to exclude themselves, such as when women blame themselves for their abuse, or poor people blame themselves for their poverty.

Acknowledging these different types of power can facilitate the very practical analysis and steps we can take to bring about systems change.

## Combining critical theory with the power and systems approach

So what does all this analysis look like in practice? Once again Duncan Green's approach is very useful.

This approach begins with us.

It's about:

- How we think/feel/work - self-awareness is the starting point.
- Curiosity - study the history.
- Humility - embrace uncertainty/ambiguity.
- Reflexivity - be conscious of your own role, prejudices, and power.
- Include multiple perspectives and unusual suspects - be open to different ways of seeing the world.

Then we can analyse the external environment with questions that provide answers to those two initial questions - why are things the way they are and whose interest(s) does it serve?

The questions we ask (and keep asking) include:

- What kind of change is involved (individual attitudes, social norms, laws and policies, access to resources)?
- What precedents are there that we can learn from (positive deviance, history, current political and social tides)?
- Power analysis: who are the stakeholders and what kind of power is involved (look again - who have we forgotten?)
- What kind of approach makes sense for this change (traditional project, advocacy, multiple parallel experiments, fast feedback and rapid response)?
- What strategies are we going to try (delivering services, building the broader enabling environment, demonstration projects, convening and brokering, supporting local grassroots organisations, advocacy)?
- Learning and course correction: how will we learn about the impact of our actions or changes in context (e.g. critical junctures)? Schedule regular time outs to take stock and adapt accordingly.

Starting with power should induce a welcome sense of optimism about the possibilities for change. Many of the great success stories in human progress and systems change like universal suffrage, access to knowledge, freedom from sickness, oppression and hunger, are at their root, a story of the progressive redistribution of power.

## Where do we go about systems change?

It can be incredibly daunting to even contemplate changing a system like neoliberalism. Where on earth do you begin?

One way to get into systems change is by applying the 'act locally, think globally' approach across what sociologists define as three major levels of society.

- Micro-level analysis examines individuals and individual-level interactions of various kinds, including, for example, people's intentions, feelings, and beliefs.
- Meso-level analysis examines the study of groups, including teams, units, and organizations.
- Macro-level analysis examines the political-administrative environment, including national systems, regulation, and cultures.

A system like neoliberalism will be manifest across all three levels of social existence. Bringing about systems change that addresses entrenched injustice, inequality and forms of oppression can commence at any level and all are equally important. Starting at the micro-level is not to be dismissed. As Kev Carmody and Paul Kelly wrote *'from little things big things grow'*.

Whether it commences in your workplace, locality, family, community organisations, within a particular ecosystem or by creating opportunities for people normally excluded to be included in social and economic life, the opportunity to grow change from small beginnings has a long history in the world of social change. So too does more global action and collective action like Catalyst 2030. Across all these three levels of social reality opportunity to challenge and change systems is waiting.

And while we get on with the task we also need to be aware of ourselves. We need to understand the *'thou shall nots' of systems change*, as articulated in the article of the same name in the Stanford Social Innovation Review. If we want to call into question the way power is used externally we need to commence with the question of how we use power internally, wherever we wield it.

Questions like:

- How much do I contribute to the problem I am trying to address?
- What are my ideological assumptions?

- To what extent am I motivated by ego and self-interest even when I engage with changing the egos and self-interest that create the problem I am trying to change?

As someone once said (we are not sure who it was) *'if we don't get our own shit together then we can do more damage in our activism and derail organisations and ecosystems and replicate the very attitudes and behaviours we are seeking to change'*.

## **Systems change does and can happen – we can continue a long line of change!**

Duncan Green tells of the time he gave Adam Hochschild's history of the abolitionist movement, [Bury the Chains](#) to his son Finlay. He found it a revelation.

*'What climate change, gross inequality, or poverty are for us, slavery was to them - a massive, immovable object. Yet, by being small cogs in a very large machine, driven largely by unexpected and uncontrollable factors, they were able to make a difference. So, while it's hard for us to see how we can possibly make a dent in something like inequality, we just have to remember that it's been done before!'*