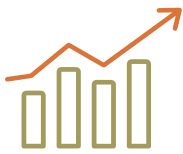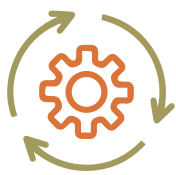# Systems Change

Systems change is a phrase used to explain an approach that targets the root causes of social issues instead of directly tackling the issue itself. It aims to alter or shift underlying structures such as policies, mindsets and power dynamics, which enable the system to function in a particular way. Also referred to as Shifting Systems or Systems Transformation, there are three major types of systems change, each of which entails distinct tactics, priorities, and time horizons:

Incremental change: This involves improving performance within existing rules and norms. A campaign to pick up litter in an urban area, for example, can be a significant boost to community cohesion and beautification efforts in that area while lying well within the parameters of existing regulations and norms.

Reform: This entails revising structures, rules, and norms so that new types of actions become increasingly prevalent. An example of this type of change strategy is the Ford Foundation's support for environmental advocacy organizations such as the Natural Resources Defense Council and Environmental Defense Fund, both of which have been instrumental in authoring and promoting new environmental legislation, changing the rules governing how waste is disposed.

Transformation: This involves creating pioneering solutions and new ways of tackling problems. An illustration of this type of change is the origin of the recycling industry, launched by a collection of scrappy and idealistic nonprofits that introduced entirely new ideas about how to manage waste, ideas that established the foundation for a massive for-profit industry.

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Stakeholders in Driving Systems Change

Acknowledging that there is no single answer to complex problems, those engaged in seeking systems change typically collaborate with a diverse group of stakeholders that can leverage each other's strengths and learn from each other to accelerate change. This group most commonly includes:

Government: Given the public sector's wealth of resources and indispensable role in securing and sustaining basic human services, shifting systems is extremely difficult without involving government at a country, jurisdiction or local level. Moreover, governments establish the regulatory environment in which systems function, in turn shaping the leverage points available to funders interested in systems change.

Private Sector: With corporations beginning to develop social targets that go beyond profits, businesses can be seen as significant partners in systems change. Their involvement can take place in many forms including Corporate Social Responsibility (CSR) and Environment Social Governance (ESG) activities, or simply through leading socially responsible business practices.

Philanthropic Systems Change Funders: Collaboration between funders in a way that combines efforts and avoids duplicative work helps create a better organized ecosystem of funders working toward common goals within systems change.

Grantee Partners: Enhancing voice and agency of organizations serving community members is critical in order to ensure that the systems change work is designed and implemented in a way that is truly addressing the needs and transforming systems at the core.

Community Organizations: Community-based organizations often have the best insight, leadership, and understanding of the people who are living and experiencing issues at the community level, making their role in analysing root causes and driving systems interventions, critical.

Advocacy Organizations: Influencing and changing systems and institutions often involves transforming policies, rules, laws and norms. advocacy organizations that seek to influence policy as a central part of their mission are therefore important agents of change in shifting systems.

Systems Change and Philanthropy

While systems-oriented philanthropy can have a transformational impact in solving many complex social problems, it may not always be the most relevant approach. In general, a systems-change approach is more appropriate for social issues that are complex, unpredictable, and context-dependent, compared to those that are non-context-dependent and have straightforward, technical solutions. For example, the issue of inadequate access to educational opportunities for children from low-income neighbourhoods cannot be addressed with a single, logistical solution. To respond effectively, donors would need to consider the root causes that are driving this inequitable access to education and then collaborate with diverse stakeholders to influence the entire system. On the other hand, if a university lacks financial resources to undertake a medical research project, donors can simply make a research grant to the institution, instead of considering a systems change approach.

Additionally, the relevance of considering a systems change approach also depends on the fit with the donor's own philanthropic goals as well as their capacity and appetite to adopt this approach. Systems change takes time and can be expensive, so donors must be willing to commit to the initiative over a long period and with the level of resources needed to help move the needle on the cause.

The challenge of a systems change approach also extends to the fact that efforts to tackle all of a problem's root causes can turn into a complicated, hard-to-replicate initiative. The sheer scale and complexity of such efforts can also overwhelm donors and often result in a kind of paralysis. Nonetheless, a systems change approach can be transformative if applied to the relevant contexts and designed thoughtfully.

Examples of Systems Change Initiatives

Initiative	Example
Co—Impact	Co-Impact is a funder collaborative that works to ensure that systems providing health, education, and economic opportunity are more just, inclusive, and effective in developing regions around the world. Their adoption of a systems change approach is deeply rooted in their belief that structural inequalities and gender-based discrimination exist because public and market systems operate sub-optimally, produce poor outcomes and fail to provide opportunity for all people. The collaborative therefore supports partners to understand and target root problems such as political and institutional gender constraints that underlie exclusion, inequality, low performance, and lack of accountability. It supports partners to develop relationships with government leaders and leverage levers such as policy, laws, mandates and formal and informal incentives that can result in adoption at scale or institutionalization of key interventions.
THE FREEDOM FUND	The Freedom Fund collaborative was launched in 2013 with an aim to adopt a systems change approach to permanently ending slavery by dismantling the systems that allow this practice to persist. Specifically, instead of focusing on rescuing victims of slavery, the Fund focuses on preventing people from falling into situations of slavery in the first place. Their work therefore adopts a systems change approach that addresses aspects such as weak rule of law, harmful attitudes toward women or certain ethnic groups and irresponsible business practices.
PLASTIC SOLUTIONS FUND	The Plastic Solutions Fund, an international funder collaborative, supports projects to reduce production of single-use plastic and packaging, focusing on key drivers of systems change in the plastic supply chain. Specifically, it works to leverage the power of activists to shift systems underlying 3 key levers: (1) the behavior of companies that are major plastics users, (2) how cities deal with waste, and (3) how people interact with plastics. Learning from the anti-tobacco movement, it emphasizes normative shifts as an important part of its strategy. The Plastic Solutions Fund supports activists to shift how people, companies and cities deal with waste, towards reducing production of single-use plastic and packaging.
Fund for Shared Insight	Fund for Shared Insight is a funder collaborative aimed at improving philanthropy through joint grantmaking. It puts special emphasis on promoting the practice of feedback as a complement to monitoring and evaluation to help nonprofits and foundations be more connected and responsive to the people and communities they seek to serve. In essence, the fund emphasizes that at the core, systems cannot change if philanthropy does not effectively listen to the communities that it aims to serve, as these communities have more wisdom and answers than philanthropy has or gives them credit for.

How to Get Started in Considering a Systems Change Approach

Funders interested in pursuing a systems change approach to their philanthropy can start by learning about Rockefeller Philanthropy Advisors' Shifting Systems Initiative which was created to examine when, how, and why certain solutions achieve system-level shifts, and to share the lessons and recommendations from those successes.

Specifically, funders can start by reading the initiative's first report, Scaling Solutions Towards Shifting Systems which highlights organizations that have scaled systems level solutions and how funders had helped or hindered the process. They can also read Seeing, Facilitating and Assessing Systems Change, another of the initiative's publications that focuses on how funders can design for, and measure, progress on systems change.

For additional information or help getting started, email info@ rockpa.org.

Resources

Below is a list of helpful resources for organizations seeing to implement strategic time horizons:

- Scaling Solutions Towards Shifting Systems (Rockefeller Philanthropy Advisors)

- Seeing, Facilitating and Assessing Systems Change (Rockefeller Philanthropy Advisors)

- Better Philanthropy Through Systems Change (Stanford Social Innovation Review)

- Fostering Systems Change (Stanford Social Innovation Review)

- The Role of Philanthropy in Systems Change (Putnam Consulting Group)

- Towards a Shared Understanding of Funding Systems Change (McKinsey & Company)