7 EMBRACE A SYSTEMS CHANGE MINDSET AND ADDRESS THE ROOT CAUSES OF CHALLENGES

Since the PTI movement centres itself on multiplying impact and becoming transformative for society, this principle is cross-cutting. Although it neatly reflects the overarching narrative of the movement, we must highlight the adoption of a systems change approach as a principle in its own right, and identify a set of practices and recommendations associated with it.

The key to embodying this principle involves taking a holistic and strategic approach to philanthropy that aims to address the underlying factors that create and perpetuate social problems, rather than simply treating their symptoms. While the distinction between root causes and symptoms is not always clear, this principle first and foremost advocates a mindset shift, encouraging organisations to think holistically about the issues we hope to solve. It also involves a permanent effort to understand how different problems intersect with each other. The principle also supports efforts to multiply the impact of interventions beyond their initial scope, be it through replication, scaling, influence and/or other approaches that allow an initiative to have a ripple effect.

Not every foundation should or may be able to engage in national level systemic policy change and abandon projects that can immediately alleviate human suffering. Rather, this principle is an invitation to all types of foundations to embrace complexity and a multiplier mindset from ideation, design, and development of interventions to implementation and learning. For example, a small foundation focused on increasing child school enrolment in a specific locality may decide to partner with farmer organisations to support light mechanisation of family farms to combat the need for child labour. These efforts could successfully advocate to a local government agency on the need for a local loan system for mechanisation with incentives for school enrolments.

This type of systemic mindset will naturally bring foundations to partner with a wider variety of stakeholders, as intersectionality and tackling 'root causes' requires articulation with other actors working on different dimensions of the issue. Other actors may have complementary expertise and resources to design solutions that can be replicated and adapted to different contexts and populations. In adopting these systems change mindsets, funders can go beyond temporary, short-term fixes – many of which often replicate ineffective practices from the past – and find deeper solutions that can lead to long-lasting positive change. In 2014, anthropologists Daromir Rudnyckyj and Anke Schwittay coined the term 'afterlives of development'[22] to refer to the international development sector's propensity for reinventing and regurgitating ineffective programming under new guises, hoping for different results each time. Principle 7 encourages foundations to avoid the trap of a similar 'afterlives' approach to philanthropy, and instead to use the power and position of their role as funders to promote a more systemic model for tackling challenges. Taking a systems change view can also reduce the risk of certain unintended consequences, such as displacing the problem to other areas or the amplification of different social problems.

A systems change approach also helps foundations work effectively with other stakeholders to create collaborative efforts addressing social problems, enabling coordination of resources whilst avoiding duplication or working at cross purposes. Leveraging the power of networks can foster new connections and alliances around a shared mission that are able to challenge the status quo. Bringing together a diverse range of actors and perspectives can accelerate greater innovation, better resource mobilisation,

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22   Rudnyckyj, D. and Schwittay, A. (2014). 'Afterlives of Development'.

and more learning and adaptation. For example, the Skoll Foundation and Rockefeller Philanthropy Advisors' Shifting Systems report (see Resources at the end of this section) identified how greater funder collaboration can enable and accelerate systems change through sharing resources on industry insights, due diligence processes and monitoring and evaluation.

Although systems change can be a powerful mechanism for furthering impact, defining and measuring systems change is often challenging. As mentioned earlier, the root causes of societal challenges can be difficult to identify, making it hard to design appropriate indicators, or to know how best to attribute the contribution towards the achievement of given outcomes. Different people and organisations may also have widely varying assumptions, methods, and frameworks for assessing systems change. In many cases, where tackling a system as an individual organisation feels like an uphill challenge, fostering a collaborative initiative (see Principles 4 and 5) may be the most constructive and sustainable way forward. For example, Catalyst 2030 has been working with their community of social entrepreneurs to develop a tool of resources to shift funding practices (see Resources at the end of this section).

Funders may face tensions between achieving short-term goals and contributing towards longer-term systems change ambitions, especially when short-term goals seem ineffective in contributing directly towards longer-term endeavours. For example, the most effective short-term means to reduce poverty may be providing cash donations to low-income households, but the long-term goal should develop new economic systems that offer more opportunities and equity for marginalised groups. Foundations also frequently come under pressure from stakeholders and governing bodies to demonstrate short-term outcomes – or 'quick wins'. One way to mitigate these conflicts is to ensure that short-term and long-term goals are coherent and aligned with each other. This means that short-term goals should be seen as steps or milestones towards achieving long-term systems change, rather than ends in themselves. Short-term goals should be flexible and adaptable based on feedback and learning from systems change efforts. Foundations tackling this principle may consider building a theory

of change approach into their organisational culture (see Principle 6).

At a more pragmatic level, focusing on systems change can seem like an intimidating task. But, as mentioned above, foundations still play a significant role, despite their size and capacity, by taking a targeted and strategic approach to systems change. This can be achieved by focusing on a specific issue in a local community, or through organisations making the most of their flexibility and agility to experiment with innovative solutions, providing stories and evidence of change that feeds into a collective narrative. By collaborating with other organisations, their work can inform wider developments throughout the sector (see Principle 4). Larger foundations, meanwhile, may be in a position to consider leveraging their scale and scope to influence multiple levels of the system more directly. For example, they might support cross-sector collaborations, fund systematic research and evaluation, or create platforms for learning and dissemination of best practices. Beyond this, larger foundations may also have the resources to invest in data infrastructure to pool evidence and stories within a geographic location or across different contexts.
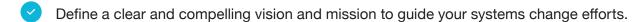
Foundations of all sizes benefit from greater awareness of the wider systems in which they operate, and from designing their strategies with this context in mind. To do this well requires a combination of ambition and humility. It further necessitates the ambition to look beyond your own organisation and to see it as part of a larger whole that can feasibly have a transformative impact on some of the biggest challenges facing our society. However, this approach also requires humility to be realistic about your organisation's capabilities, and the willingness to put aside institutional ego in order to work collectively towards a greater shared goal.

Recommended practices for implementation:

How to get started:

✓ Define a clear and compelling vision and mission to guide your systems change efforts.

- Develop a theory of change that articulates how your actions will contribute toward your organisation's desired outcomes, and the broader change you seek to create.

✓ Through working with partners closest to the issues (see Principle 3), identify a specific problem or opportunity in your system that your organisation can address with present resources and expertise.

- This could be an issue in your local community or thematic area based on your expertise.

✓ Engage with diverse stakeholders who are affected by or can influence your system, and build trust and collaboration with them.

✓ Pay greater attention to connections and interdependence – foundations should recognise that systems change requires collaboration with other actors who have different perspectives, roles, and interests.

✓ Monitor and evaluate your impact, focusing on your progress towards end goals rather than simple outputs and deliverables, and learn from feedback and data.

✓ Analyse key trends and momentum in your system and consider how to align your strategies with them.

- Seek collaborations and pool resources to amplify impact.

To go beyond:

✓ Leverage your scale and scope to influence multiple levels of your system, such as policies, norms, behaviours, or structures.

✓ Support cross-sector, multi-stakeholder collaborations (see Principle 4) that can amplify your longer-term engagement and impact, and further create synergies among different actors.

✓ Fund research and evaluation that can generate new insights and evidence for systems change.

✓ Map and invest in platforms or networks for learning and dissemination of best practices across different contexts.

✓ Where there are gaps, work with leaders in the relevant communities or locations to create new networks.

✓ Be humble and reflective about your role and impact in systems change, acknowledge your assumptions and biases, seek feedback from diverse stakeholders, learn from both failures and successes, and share your insights with others.

- Be systematic about measuring systems change.

- Use a combination of quantitative and qualitative methods to capture changes at different levels of the system, such as policies, behaviours, norms, and power structures.

- 'Be the change' by building internal adaptive capacity.

- Reflect on how your internal culture, structure, processes and practices affect the organisation's ability to foster systems change (see Principle 6).

Potential obstacles
Suggested solutions

Given the large and long-term scope of systems change efforts, foundations may find it easier to deal with treating symptoms of social challenges rather than tackling broader root causes.

Tackling large, multi-faceted issues nearly always begins with small steps. Start by identifying which programmes in your organisation's existing portfolio are exclusively addressing challenges with a short-term mindset, and have conversations with key internal and external stakeholders on how those programmes can become better aligned with longer-term commitments. Even small, progressive adjustments to existing programmes can facilitate larger shifts in the future.

The short-term solutions provided by an organisation in some cases may hinder longer-term aspirations towards systems change, particularly at local levels. There also could be other stakeholders involved in a project that are partial to short-term outputs/outcomes.

Particularly for initiatives that have been running for longer periods of time in a specific way, external stakeholders may be averse to immediate change, even if it will likely mean a more sustainable, systemic long-term solution. Rather than overhauling quick-wins focused programmes, your organisation can begin by discussing how best to diplomatically make adjustments to shift interventions towards better addressing underlying issues.

Building systems change approaches can be challenging for those operating in geopolitical infrastructures where criticising or advocating beyond the existing status quo is unadvisable.

Philanthropic foundations often play a pseudo-diplomatic role in society and, in many cases, must avoid 'rocking the boat' with governments and policymakers. In cases where those actors are averse to broader approaches, foundations should use their influence to build multi-stakeholder partnerships (see Principle 4) with other actors across sectors. Where possible, loop relevant members of local or regional government into joint initiatives to demonstrate the value of systemic efforts and build mutual goodwill. Where more freedom is allowed, foundations may consider challenging political boundaries imposed on philanthropic activity.

Resources

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