

Strategic Analysis Paper

4 March 2021

From System Shock to System Change – Regenerative Opportunities

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Key Points

- The next decade could see a transition into a world of destabilising shocks or a move towards a reconfiguration of the systems we rely on based on goals of equity, sustainability and resilience.
- 2020 has exposed the inequality that is deeply embedded in our global social and economic structures.
- In sustainability circles, the term ‘regenerative’ has gone viral in recent years, applied to everything from farming and economics to leadership and organisational culture.
- By looking at alternative narratives that are emerging, we can start to understand trajectories that lead from here to alternative futures.
- The future is not something that happens to us but is something that we actively create. A transformation trajectory needs to become the dominant version of our future if we are to deliver the systemic change needed to solve our inequality, climate, biodiversity and public health challenges.

Summary

The next decade could see a transition into a world of ever more destabilising shocks, or towards a reconfiguration of the systems we rely on based on goals of equity, sustainability and resilience. Forum for the Future, a leading international sustainability non-profit organisation with offices in London, New York, Singapore and Mumbai, in a recent Future of Sustainability report entitled *From System Shock to System Change – Time to Transform*, explores the key dynamics that lie at the heart of these transitions. It considers the interconnected nature of human and planetary health and reveals four trajectories emerging from the COVID-19 crisis. Only one of which will deliver the just transition urgently needed if we are to avert the worst of the social, climate and biodiversity crises we all face.

Analysis

Introduction

We live in times of great disruption. Our lives are changing in ways we could not have imagined a year ago. Many of the certainties on which we have built our collective response to sustainability challenges, as well as the social and governance structures that underpin the systems we rely on, are being challenged.

Assumptions made about the likely trajectories of the coming decade towards sustainability have been thrown into doubt by the impact of COVID-19. The pieces do not look like falling back into place soon.

COVID-19: Early warning sign of shocks to come

On the surface, COVID-19 may seem like a bolt from the blue, unrelated to other pressing concerns such as the impact of technology and automation on business and jobs, economic models that entrench inequalities, and the growing threats of climate change and ecosystem collapse.

Look more closely and the pandemic, far from being an outlier, is rather a harbinger of the sort of shocks to the systems we rely on which we can expect in the years to come, as climate change and other disruptions take hold.

Indeed, COVID-19 is an early-warning sign: a symptom, not a cause, of such large-scale disruption. This is in part because it was almost certainly triggered by human encroachment on forests, highlighting the intimate relationship between planetary health and human health. It has demonstrated how vulnerable our supposedly sophisticated civilisation is to such shocks and how much needs to change if we are to put it on a genuinely sustainable path.

2020 has exposed the inequality that is deeply embedded in our social and economic structures from the institutional racism targeted by Black Lives Matter to the imbalance in global supply chains which has seen millions of factory workers and informal workers in the global South lose their livelihood overnight as lockdowns arrived. The recession catalysed by the impacts of COVID-19 looks set to roll back decades of investment in human capital and poverty reduction.

A decade of transitions

The coming decade will be one of transitions, for good or ill. How we respond to COVID-19, particularly how governments spend their trillions, will shape our destiny. The 2020s could see us transition into a world of ever more destabilising shocks, or towards a reconfiguration of the systems we rely on based on goals of equity, sustainability and resilience.

This paper explores some of the key dynamics that lie at the heart of these transitions. We ask how we can make active choices now that will transform our prospects by embedding, at the heart of our strategies and plans, the realisation that a fundamentally different model is needed. A model that puts people's wellbeing and planetary health first, as the overriding imperatives. Planetary health is not separate to human wellbeing. The two are intricately intertwined. To achieve the just, resilient and truly sustainable world we want we advocate a regenerative approach, enhancing the underlying capacity of all individuals, communities and ecosystems, to be healthy, to keep evolving, and fulfilling their potential.

Regenerative Opportunities – Are regenerative approaches the key to the challenges of the decade ahead?

The current interrelated crises facing humanity can seem overwhelming in their complexity and impact. Yet there is hope emerging from people and organisations that are embracing and experimenting with “regenerative” approaches – challenging us to work with, rather than against, the power of natural systems.

This is not a revelation: replenishing and fostering healthy living systems is a concept which has been at the heart of much ecological thinking for the past half-century and has arguably been part of some indigenous cultures from thousands of years past. But as the systemic nature of the crises facing us becomes clear, the need to embrace and implement that approach has taken on a new urgency.

It is one which demands a decisive shift away from some of the mindsets which have dominated our thinking in the past, and which continue to hold a powerful influence today. In cultures heavily influenced by European Enlightenment which comprise many organisations with power and influence today – there is a powerful tendency to think and behave as though we are separate from ‘nature’. Everything from our economic models to our way of measuring ‘natural capital’ is built on the legacy of a mechanistic worldview. This flies in the face of how we now understand the world. In truth, individuals, human society and the natural world are inextricably intertwined, interacting and influencing each other in a myriad of complex ways.

Our own bodies are ecosystems in miniature, while human societies at scale are part of living systems too. We have co-evolved with our surroundings, such that every place on Earth has been shaped by human existence, and vice versa. Now, in an increasingly interconnected world, these interdependencies are becoming ever more apparent. COVID-19 is the latest crisis to throw these into sharp relief.

That means that our response to such crises must have interdependence at its heart. In the face of this realisation, a constellation of approaches, known loosely as “regenerative”, are emerging which have the potential to embrace this living complexity and so unlock transformational change. It draws on the innate capacity of humans, along with all living things, to recover and restore themselves.

The Current Situation

In sustainability circles, the term “regenerative” has gained momentum over recent years, applied to everything from farming and economics to leadership and organisational culture.

Take the rise of regenerative agriculture for example. What has up until now been practiced on a small scale by indigenous communities and permaculture practitioners. The food forest at the Sahainan Organic Permaculture Farm in Thailand is now inspiring a broader movement to replenish soil health and harness the power of natural processes on any given farm. Companies like General Mills and Walmart, and initiatives like Zero Budget Natural Farming in India, have committed to enabling regenerative agriculture at scale.

Increasingly, such initiatives are about more than just the health of the soil and the farm ecosystem, extending to the wellbeing of the farmers themselves, and the surrounding community both human and natural such as Olam’s commitment to ecosystem regeneration through its Living Landscapes Policy. We are seeing the likes of Patagonia take a whole-system approach with organic cotton growers

in India, and Danone supporting farmers with long-term contracts and capacity-building as well as enhancing the local ecosystem. Other examples include commitments from the cocoa industry to work towards a living income that distributes more of the product value back to producer communities, and so enhances their ability to be a thriving part of the supply chain. The regenerative concept has been so closely associated with agriculture, it be a purely environmental approach, one which excludes people, or even sees them as an obstacle to ‘ecosystem restoration’. This risks it merely playing into existing power dynamics. A similar caveat applies to renewable power generation. While welcome, it will hardly be regenerative, in the wider sense of the word, if it essentially extracts the energy generated over an area of land and transports it and most of its economic value elsewhere, while the local community gets no benefit apart from, perhaps, a small number of poorly paid jobs.

Adoption of regenerative farming or energy can only be a starting point. Encouragingly, there are signs that some are recognising this. Inspired by its potential, General Mills has embarked on a process to understand how regenerative thinking could be applied within its business more widely. The Patagonia Company is using it as a framework for how it supports and enables its employees. Meanwhile, civil society organisations like Extinction Rebellion are embedding the concept of “regenerative cultures” embracing the diversity of human experience, rooting approaches in the unique local context, and building the capacity of people and communities to continually act, reflect and adapt.

Emerging Trajectories that will Shape our Future

The COVID-19 pandemic is not just disrupting daily life, but also the fundamental assumptions people hold and their way of thinking about the world: what we term their mindsets and their narratives.

This may be good news. We know from our work changing systems, that deep change only happens when narratives change. Narratives are what we use to make sense of the world and organise our societies. Organising in new regenerative and just ways will require new narratives, based on assumptions and mindsets that prioritise collaboration, collective human wellbeing and planetary health. But at the same time, we must also recognise that mindsets based on fear and competition will lead in other directions, and be prepared to work with this reality.

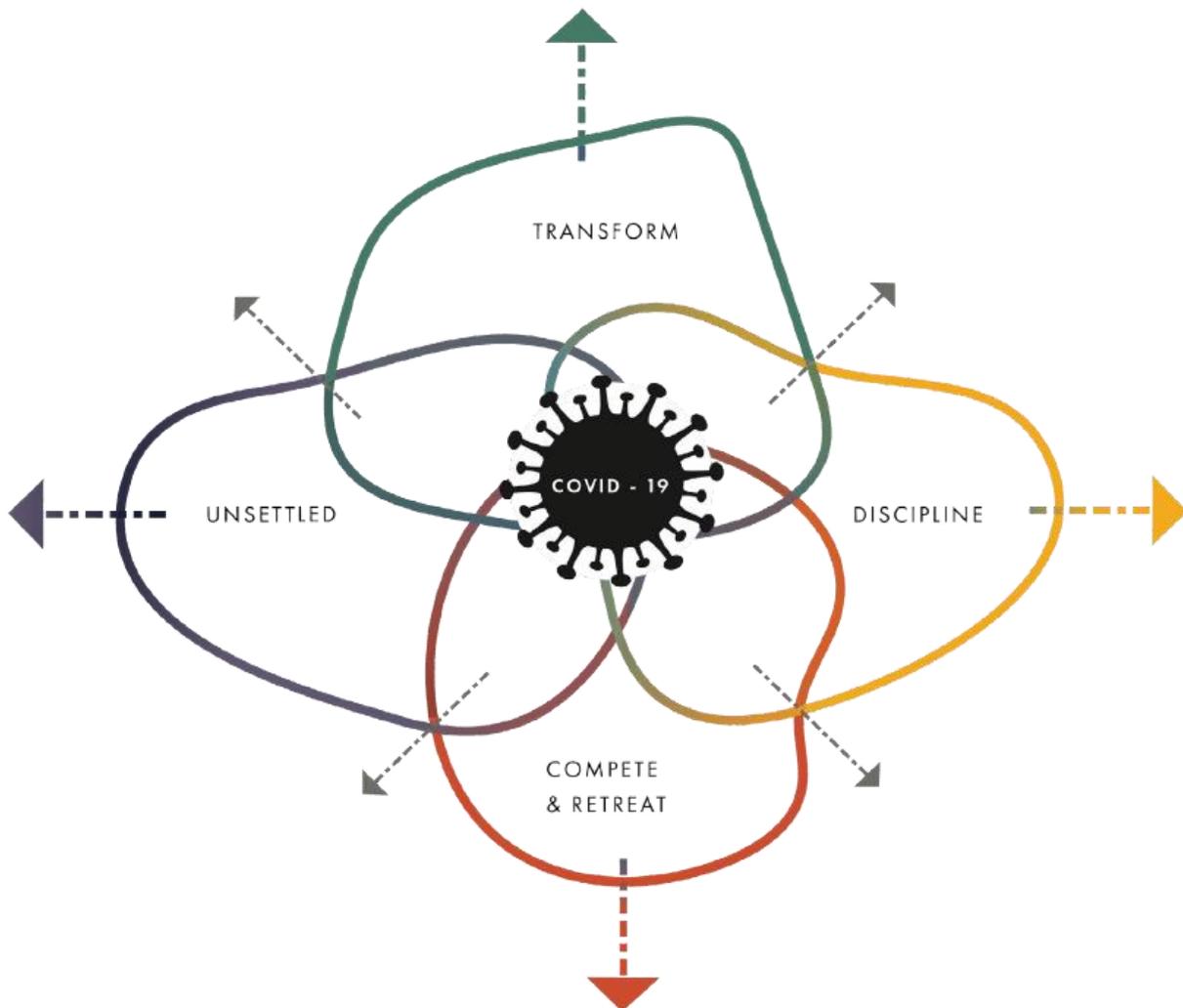
In other words, the silver lining of this very difficult time is an opportunity to enact deeply needed change for sustainability. Working strategically towards such change is, however, difficult when the current range and depth of uncertainties are so great. Forecasts are of little use when assumptions are shifting. By looking at alternative narratives that are emerging, we can start to understand trajectories that lead from here to alternative futures.

In plotting these potential trajectories based on desktop research, interviews and workshops with a wide range of leaders across business, philanthropic and not-for-profit organisations, and analysis of the latest signals of change.

The trajectories are a guide to understanding what may happen next, to detecting early signs of the sort of shift we might see and anticipating some of the consequences. They are a tool to help changemakers work with this moment of deep discontinuity to deliver transformational change for sustainability.

While grounded in the present moment, each trajectory points to a very different long-term destination. However, they are not mutually exclusive, and in fact, all are currently active, overlapping, and all are likely to be ‘in play’ for some time. There are features within each trajectory that

characterise the different responses we have seen to the COVID-19 crisis. From the perspective of sustainability, each trajectory has 'light' that can be worked with, and 'dark' that will need to be mitigated.



The trajectories:

- **Compete and Retreat** – based on an underlying mind set of “There is not enough to share. We must retreat to protect our own kind. Our survival and prosperity come ahead of the survival and prosperity of others.” This is characterised by the strengthening of existing nationalist dynamics, pointing towards the collapse of what is left of globalisation and international collaboration, and the emergence of fragmented regionalism.
- **Discipline** – based on an underlying mind set of “Greater control is required to maintain public health, safety and security, and to keep growth and global interconnection going as ‘normal’. We are prepared to relinquish privacy concerns for this.” This is characterised by the ramped-up use of technology for automation, remote connection, surveillance and control in an attempt to manage complex problems, to return to some form of globalisation and to keep the current model of growth going.
- **Transform** – based on an underlying mind set of “Planetary health and human wellbeing come first and are interconnected. Deep change to reset the system is possible, desirable and happening. We can’t go back to ‘before’.” This is characterised by the harnessing of

the recovery from the pandemic as a ‘reset’ to accelerate a fair and equitable zero-carbon transition and enable a shift towards approaches like stakeholder capitalism, ‘doughnut economics’ and wellbeing budgeting. New business models emerge based on resilience and regenerative thinking.

- **Unsettled** – based on an underlying mind set of “There might not ever be a ‘new normal’, the world is now strange and volatile beyond all previous human experience. Previous ways of thinking are not helpful now. Radical resilience, adaptability and opportunism jostle with fatalism and anxiety.” This is characterised by continuous discontinuity from cascading events and crises of all kinds– climate and ecological, political, social and technological– and the need to adjust to a difficult and strange reality of ‘no new normal’.

The key question is which trajectory will dominate over the next few years – which will most strongly contribute to the assumptions that frame the collective actions of this critical decade?

Conclusion

We know that the decisions we make in the very near future will determine the future of our society, our economy, and the planet.

The future is not something that happens to us but is something that we actively create through every action we take. And along with our many partners across business, civil society and government, we believe that a transformation trajectory needs to become the dominant version of our future if we are to deliver the systemic change needed to solve our inequality, climate, biodiversity and public health challenges.

If we are to achieve that change, we need to change our views of how the world works, and to redefine the goals of the systems we operate within. For each of us, there are questions we need to hold and pathways to transformative action we can help society to choose and progress along.

Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.

Published by Future Directions International Pty Ltd.
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