

Theories of change

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I watched Gary Stevenson's [latest video on economics](#) yesterday.

In summary, Gary drew attention to a paradox where, despite decreasing inflation and soaring asset prices, living standards for the average person continue to erode amidst rising inequality. His answer is to increase taxes on the wealthy, with which I do not disagree.

However, Gary has had four months at least off to think about his channel and its direction, and I was hoping for more than that in this, his first substantive video since his return. It left me wondering what his theory of change is.

A theory of change, according to ChatGPT, is:

A **Theory of Change (ToC)** is a comprehensive framework that outlines how and why a desired change is expected to happen in a particular context. It is often used in project planning, evaluation, and implementation, particularly in social, environmental, or developmental programs. The ToC identifies the steps required to achieve a specific goal, the assumptions underlying these steps, and the causal linkages between actions and outcomes.

Key Components of a Theory of Change

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- * **Goal or Long-term Outcome:** The ultimate change or impact the program seeks to achieve.
- * **Intermediate Outcomes:** The specific changes that need to occur for the long-term goal to be realized. These are often milestones along the way.
- * **Activities or Interventions:** The actions or strategies implemented to achieve the intermediate outcomes.
- * **Inputs:** The resources required to carry out the activities (e.g., funding, staff, materials).

- * **Assumptions:** Beliefs about how and why the change process will occur. These may include external factors or conditions that are crucial for success.
- * **Causal Pathways:** The logical connections between activities, intermediate outcomes, and the final goal, often visualized in a diagram.
- * **Indicators:** Metrics used to measure progress toward achieving each outcome.

How It Works

A Theory of Change maps out the "if-then" logic:

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- * If specific activities are conducted, then certain outcomes will result.
- * If these outcomes are achieved, then the overarching goal will be met.

It goes beyond simply listing activities and expected results by explaining the underlying logic and conditions for success.

This is what the same source said of Gary's theory of change:

Gary Stevenson, an economist and former interest rate trader, has developed a theory of change rooted in addressing economic inequality. His approach emphasizes the necessity of understanding how wealth concentration drives economic instability and how this can be counteracted to create a more equitable society. The core elements of his theory of change include:

1. Focus on Wealth Inequality

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- * **Understanding the Problem:** Stevenson identifies wealth inequality as the root cause of many economic and social issues, including stagnant economies and declining living standards for the majority.
- * **Highlighting Its Impact:** He emphasizes that extreme wealth concentration limits economic growth because the wealthy save disproportionately more, reducing consumption-driven economic activity.

2. Challenging the Status Quo Narrative

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- * **Public Awareness:** Stevenson believes in the power of storytelling and education to

counteract dominant economic narratives that obscure the harmful effects of wealth inequality.

- * **Economic Literacy:** By simplifying complex economic concepts, he aims to empower the public to understand and critique policies that exacerbate inequality.

3. Structural Change Through Policy

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- * **Stevenson advocates for policies that redistribute wealth, such as progressive taxation, higher wages, and wealth taxes.**
- * **He argues that these measures are necessary to stimulate demand, create sustainable economic growth, and reduce societal tensions.**

4. Building Grassroots Movements

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- * **Stevenson sees grassroots movements as essential for enacting systemic change. He works to inspire collective action among people who are directly affected by inequality.**
- * **He collaborates with activists, unions, and organizations to amplify voices demanding economic justice.**

5. Focus on Power Dynamics

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- * **Economic inequality is also a political issue, as wealth concentration often leads to power concentration. Stevenson's theory includes addressing the influence of money on politics to prevent policies that favor the wealthy minority.**

6. Narrative-Driven Advocacy

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- * **Stevenson leverages his background as a successful trader who left the industry due to ethical concerns to bring credibility and relatability to his**

arguments. His personal story is a key tool for engaging audiences and driving change.

In essence, Gary Stevenson's theory of change revolves around raising awareness of the systemic nature of inequality, mobilizing public support, and advocating for policies that redistribute wealth to create a more stable and equitable economy.

So, I then wondered what it might say about my own theory of change, which felt like a strange thing to ask, I admit, but seemed to be a fair comparison:

Richard Murphy, a prominent economist and political commentator, has articulated a "theory of change" that emphasizes a holistic, participatory, and systemic approach to addressing societal challenges. His ideas are rooted in his critiques of neoliberal economics and his advocacy for progressive, socially responsible policies. Here are the key elements of Richard Murphy's theory of change:

1. Rethinking Economics

Murphy argues that mainstream economic theory often fails to address real-world challenges, such as inequality, climate change, and economic instability. His approach involves:

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- * Moving away from neoliberal economic assumptions like austerity and free-market absolutism.**
- * Advocating for "green economics" that prioritize environmental sustainability and long-term societal well-being.**
- * Encouraging interdisciplinary approaches that integrate social, environmental, and economic dimensions.**

2. Tax Reform as a Tool for Equity

Murphy emphasizes the transformative power of tax systems in shaping societies. His tax justice agenda includes:

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- * Tackling tax avoidance and evasion to ensure corporations and wealthy individuals pay their fair share.**
- * Using progressive taxation to redistribute wealth and reduce inequality.**

- * **Viewing taxes not just as a source of revenue but as a tool to achieve policy objectives, such as reducing carbon emissions or encouraging investment in public goods.**

3. Democratization of Economic Policy

Murphy believes that for change to be effective and sustainable, it must involve public engagement. This includes:

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- * **Making economic policy accessible to non-specialists to empower public debate and involvement.**
- * **Advocating for transparency and accountability in governance and policymaking.**

4. Green New Deal

Murphy is a leading advocate for a Green New Deal, which integrates climate action with economic reform. Key elements include:

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- * **Massive public investment in renewable energy and infrastructure to transition to a zero-carbon economy.**
- * **Job creation through green projects, ensuring a just transition for workers displaced by the shift away from fossil fuels.**

5. State-Driven Innovation and Investment

Murphy challenges the idea that markets alone drive innovation, emphasizing the role of the state in fostering change. This involves:

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- * **Public investment in research, development, and infrastructure.**
- * **Using state resources to address market failures, such as underinvestment in clean energy or affordable housing.**

6. Local and Global Solidarity

Murphy's vision extends beyond national borders. He advocates for:

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- * International cooperation to combat tax havens and illicit financial flows.**
- * Policies that address global inequalities and promote sustainable development.**

7. Narrative Change

Murphy underscores the importance of shifting narratives to change societal priorities. This includes:

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- * Challenging the dominance of neoliberal ideologies in public discourse.**
- * Promoting alternative visions of economics that prioritize fairness, sustainability, and collective well-being.**

In sum, Richard Murphy's theory of change is about transforming economic systems through bold, participatory, and equitable policies. His ideas call for an active role for governments and citizens in shaping a fairer and more sustainable future.

I admit to having found that interesting. Given that I think the summary of my theory of change is fair (and its lack of a clear explanation of how the process of change begins would be a fair claim to make, which I must address) then I presumed Gary's was as well.

My focus is technical, in the main, although narrative plays a role.

Gary's is very much narrative-based but lacks technical content bar an unclear demand for the greater taxation of wealth.

People have suggested there is commonality between the two of us. I think it is more likely there is potential synergy. What we both have in common is a desire to educate, believing that will help precipitate change. When I asked ChatGPT to compare and contrast us I got this:

In summary, while both Stevenson and Murphy seek to address economic inequality,

Stevenson focuses on wealth redistribution to enhance demand, whereas Murphy emphasizes the strategic use of sovereign monetary policy to fund public investment and achieve economic stability.

I think that fair.

Thoughts would be welcome.