

# **SA New Economics Network -DRAFT ANNUAL REPORT June 2003 – June 2004**

## ***SANE Organisational Capacity Building***

SANE underwent seminal change in the past year. A small Board of Trustees who had served since the mid-90s has expanded to 17 people with considerable influence in civil society, in Parliament, in faith-based organisations as well as aspects of business enterprise, academia and the media.

We have just appointed our first Director, Vanessa Johnstone, who started in June 2004 along with Maieane Nkhahle as part-time Administrator, who started in May. Their appointments were made possible by a grant from the UK-based Network for Social Change (NSC). This has enabled us to take SANE to new levels of capacity and potential. We now have enough funds to staff the office for about nine months, while we seek funds for projects and increased communication and advocacy work.

Governance and other institutional issues have been raised through this transition, and these have inevitably absorbed much of the energy of the Board, but will no doubt pay handsome dividends in the years to come. The Board has made provision for a Chairperson, Vice-Chairperson, Treasurer, Company Secretary, and established Remuneration, Finance and Fundraising, Membership and Projects Committees.

Before interviews took place for the Director position, the Board undertook the first part of a Strategic Planning exercise. The second part awaits the election of the new Board at the AGM on 21 June: they will join with the new staff to complete the process.

## ***Advocacy of Macro-economic Policy Alternatives***

At this point the main thrust of our strategy regarding macro- economic policy change is to build alliances and networks with other organisations active in public education and advocacy. These include civil society NGOs and CBOs, trade unions, local and regional government, business enterprises, faith-based organisation and academia. SANE serves as a gateway to South Africa for the international New Economics movement - including the London-based New Economics Foundation, our northern partner – and has much to offer in the way of new ideas and innovative approaches. Many people and organisations know the current system does not serve humanity, and especially poor people, but they have not encountered new alternative ideas. Already we have been asked to build capacity in that area by a number of NGOs.

## ***Communication***

The internet based information services – SANE-Views and SANE-News – went out regularly to our email list. Members of SANE were heard from time to time on radio phone-in programmes. And Margaret Legum's articles in This Day and the Mail and Guardian regularly brought new economic concepts and views to public notice. SANE Forums were held eight times during the year, providing an opportunity for members and the public to hear and debate new economics principles and ideas. The Website has been continually updated by board member Tim Jenkin. And SANE has consistently participated in the planning and activities of the Basic Income Grant

Coalition – which has been highly effective in public education and whose formal proposal was considered at cabinet level, though not accepted at this stage.

### ***Capacity Building and Training in New Economics***

Early this year IDASA (Institute for Democracy in SA), a very well respected and influential NGO, invited SANE to present new economics ideas to its staff over a period of two days. We learnt a great deal about how such capacity building might be taken forward. A course is being planned for early next year to be held residentially over a five day period for a mixture of people from different policy change focused organisations. Funds are already available for this important pilot.

The strongholds of academic economics remain mostly resistant to new ideas, because neo-liberalism has had a virtual monopoly in academic economics for the past 30 years or more. Academic economics has been taught as though there was only one correct system – the so-called Washington Consensus. But the failure of the current system has become so obvious to this generation of students that the walls of the citadel are crumbling. An international student movement calling itself The Post-Autistic Economics Movement, based at Cambridge University, appeals for economics teaching that is connected with the real world. And already Margaret Legum has been asked to lecture to students at the University of Natal and at the Graduate School of Business at UCT.

In relation to students, Maieane's appointment is especially appropriate. His current (and second) degree includes economics at UCT. We expect him to begin to establish student chapters for SANE.

Meanwhile as the new Board focused on the transition issues, two SANE projects have quietly bloomed. The first – the Community Exchange System (CES) – has been built entirely by volunteers. Community Exchange Systems represent alternative ways in which people can trade with each other; and in doing so show up the defects of our conventional debt-based money.

### ***SANE Innovative Local Economic Development Projects***

#### **The Community Exchange System**

In this case, Tim Jenkin – SANE Board member, IT specialist and designer/maintainer of our website – devised a system in which members trade with each other through the internet, using an invented currency called a Talent. Last year close to 400 members of the system made transactions to the value of +-140 000 Talents – each of which is roughly equal to a rand. On the now named Cape Town Talent Exchange you can fill your larder with organic food, equip your office, get your car serviced, buy books on new economics, permaculture or poetry - or a host of other goods and services, making a list of (FILL IN NUMBER) offerings – all of it without using rands. Find the CES via the SANE website.

Five new CES groups in other localities and cities in South Africa have started and are linking to our internet-based CES / Talent Exchange. SANE is currently working out the most fruitful way for it to support the CES and its burgeoning offshoots.

## **A Community Currency Project**

The CES Talent Exchange is however inaccessible for SA's poor and destitute people, being internet based. But the principles are clearly relevant. One of the first projects for which SANE will raise funds this year will be a CES based in a poor area where trading will not depend on computers, or will link into the CES via a central computer at a community office.

However, veteran SANE member Russell Bishop, working for the Valley Development Trust in Ocean View, (Ocean View Development Trust) has started a scheme called Food for Work. By working in the area people can earn Ikamvas or Oceans –locally produced printed money / notes. And these can be spent on food and clothing in the project's own shop, or traded, and other small shops are expected to join the scheme. People's standard of living, including their nutrition, is being raised without access to Rands; and skills that lie dormant for lack of others' buying power are being activated. Importantly, this project is in part funded by the Provincial Department of Social Development.

## ***Local Economic Development Strategy Formulation for Municipalities***

Another important SANE project is facilitating innovative new economics approaches to local economic development (LED) for municipalities. SANE is a member of a consortium led by Price Waterhouse Coopers, and also including Bayette Development Consultants, whose director Zunaid Moolla is a SANE board member. John Roux, a SANE board member, run workshops on 'Plugging the Leaks' and other New Economics concepts for councillors and officials, and for community members, as part of the public participation process. SANE also contributes to actual strategy formulation and project planning. So far we have worked with Drakenstein Municipality and are starting a second contract with Bitou Municipality, both in the Western Cape.

This important collaboration resulted from an invitation to SANE to participate from a key manager in PWC's Public Service Division, Robert Davids, who is a SANE member and recognises the value that New Economics approaches can add to LED.

## ***A Unique Time Bank Pilot Project***

SANE is also involved with PWC in a unique social responsibility project, setting up a time bank at Over Strand Municipality which will enable unemployed and indigent members of poor communities to trade work for municipal services or debt. Non-payment of service charges and resulting municipal debt and cutting off of services is a huge problem for most SA municipalities, due to the high levels of poverty. If this pilot project is successful, it will provide an innovative solution based on New Economics that is potentially replicable by all SA local authorities.

A related initiative by SANE Board member and Ashoka Fellow, Dr. Norman Reynolds, is developing a poverty alleviation focused approach to local economic development, based upon aggregating and giving monetary value to economic and work rights – individual and collective. He is working with a small number of

communities as pilots to demonstrate the approach. He has also initiated a movement called the People's Agenda based upon new economics principles and values.

### ***Funding***

The Funding Network grant in June 2003 has been essential to maintaining SANE's work and office with its co-ordinating role during the past year, and transition to a situation of increased staff capacity. We have in June 2004 received a grant from the Network for Social Change in the UK, which has enabled this, and put SANE in a position to plan and undertake further projects and increase our influence and the contribution of New Economics towards appropriate economic policies and poverty alleviation in South Africa. We also now have the profile, capacity and pilot projects to attract the support of other donor organisations.

### ***Conclusion***

At the start of the third democratic Parliament there are signs of disillusion within government and particularly its poorer constituencies with the effects of the policies of GEAR (Growth Employment and Redistribution). New policies are being sought. The old certainties are breaking up even among the beneficiaries of the neo-liberal old economists. In these circumstances SANE is well positioned to make an input into public debate, and a leading contribution regarding alternatives – through NGO allies, Parliament's Committee systems, faith-based organisations, conferences of sister organisations, and via education of the public through the news media.