



ANNUAL REPORT FOR 2004

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1. FOREWORD

In just a decade, South Africa has moved from minority rule and economic degradation to a vibrant democracy. There is no doubt that there are still major transformational challenges to be faced, hence the reason for ESSET's continued existence. ESSET will continue to generate research that will assist the churches to participate meaningfully in the public discourse to promote socio-economic justice.

While we have been through a hiatus last year searching for a new director, we must commend our partner organizations for their support, advice and commitment to the extent of seconding staff. A special word of thanks and commendation to the South African Catholic Bishops Conference, Justice and Peace Department, Economics Desk, firstly, for the consultancy role they allowed Neville Gabriel to play, who selflessly assisted us and secondly, for releasing Billy Maseti to fill the role of director at ESSET. This collegial support once again underlines the value that ESSET adds and the significant role it plays in equipping churches and communities to address the legacies of poverty, inequality and underdevelopment.

2004 has been a year of taking stock of all we have accomplished and ask the question; "how we as a resource and service agency chart the way ahead with integrity and confidence?" It has been a year of soul searching and commitment to shape our future strategic direction in order to reach the ambitious goal of enhancing the capacity of the churches to pursue socio-economic justice in church and society. I often need to remind myself that ESSET is a learning organization and during 2004, we have learnt a lot about how people see us, who we are and above all what we want to be

I am glad to report that during the period under review we were able to achieve all our programmed objectives. Our participation in the People's Budget Campaign process is now firmly entrenched and is an opportunity for national church and civic leaders, members of parliament and those who develop economic policy to engage. The challenge for ESSET however, is to assist local churches to participate in the development of policies at local government level. We are still strongly committed to economic literacy and the courses jointly offered by Pietermaritzburg Agency for Christian Social Awareness (PACSA) and ourselves is well attended and in demand. Given what is currently happening in the clothing and textile industry our research was timely. The strategies and recommendations of the research will no doubt make a positive contribution to the current impasse and the way forward. The research on HIV/AIDS as the Morality of Tourism and the Privatization of Water all show that ESSET has its finger firmly on the pulse of issues that are potentially explosive and can undermine the gains of our democracy.

As you read through this report I trust that you will be inspired to renew your commitment to economic justice. There is an African proverb which says, "If you want to walk fast, walk alone but if you want to walk far, walk with others." We need each other as companions and friends on the journey to build a more just world.

On behalf of the Staff and Board members of ESSET I thank you for your continued support. I encourage you to give the same commitment and support to our new director, Rev Desmond Lesejane.

Thank you.

Bishop Ivan M Abrahams
Chairman, ESSET Board

2. THE YEAR IN REVIEW

2.1 State of the nation

The year 2004 will be remembered as the year in which South Africa celebrated its first decade of democracy. From the political stability the country is now experiencing; to racial integration of public amenities and spaces; to the increasing stake of black people in the economic life of the country; to the gallant efforts at rebuilding the African continent, to the relative stability of the country's economy; to the increased public discourse and commitment to the improvement of the lives of the poor, there is indeed much to celebrate.

However the nation was mature enough to acknowledge that too many people still live under conditions of abject poverty; too many people have lost their jobs, remain unemployed and unemployable; too many women live on margins of society; too many students do not have access to adequate education; too many people live in sub-human abodes and communities; too many people lack basic services or lose them too quickly after receiving them; too many people continue to be infected by HIV and die of AIDS; too many people have become materialistic and consumerist and too many people remain bystanders and spectators in the economic life of the country.

As a stakeholder in the development of the society, the church did have an obligation to also reflect on the ten years of democracy. This reflection would ask of the churches how they performed in consolidating South Africa's democracy and reflect on the achievements and failures of the nation from a faith perspective.

Adhoc reviews were made with the SACC did making profound pronouncements and commitment at its triennial conference on the issues. The broader question of how the church played its role in the public space or even whether it utilized that space at all remains.

While more thorough and scientific reviews are still to be made, a number of key questions critical to the discourse are worth noting.

- ⇒ First, the nature of the state and its strategic objective should be a major determinant of such a reflective discourse even into the future. The question is whether the state has fulfilled its mandate. This mandate includes setting clear development goals, facilitating the protection and respect for human rights, ensuring equitable distribution of the wealth of the country, etc.
- ⇒ Secondly, the nature of the democratic space in society and in the constitutional order should be critically reviewed as this does influence the role and strategies the Church and any other organ of civil society play in transformation processes.

- ⇒ Thirdly, there is a need to import lessons from outside our borders on the history of Church State relation in a pluralistic democratic society and how nations in transition managed this relationship.
- ⇒ Finally, the church should continue to show bias to the poor and voiceless in society as it has been called to be. However, it must be accepted that this task is itself contested and the church may be swayed away from this role by the systems and powers of the day as it has happened in the past. This calls for constant introspection and humble repentance when necessary.

2.2 Inside ESSET

2.2.1 Leadership and management

ESSET started the year without a fulltime executive director, after the then director, Dr Mongezi Guma, had resigned in December 2003. Ms Patria Dlamini was appointed Acting Director in addition to her responsibilities as Programmes Coordinator. She unfortunately also resigned in April due to family commitment.

Such rapid changes in the management of the organization did not produce ideal conditions for an effective and efficient running of the organization. Without fulltime programme and executive staff, the board resolved to request partner organizations to second personnel to oversee the running of ESSET while the search for a new director went on. Mr. Billy Maseti was seconded from the Justice and Peace Department of the South African Catholic Bishop's Conference (SACBC) between June and December 2004. The chairperson assumed executive responsibilities and other board members resident in Gauteng assisted with responsibilities over programmes.

It is under these challenging conditions that ESSET operated for most of the year, with the Acting Director working in programme implementation the focused its energies on addressing long term policy and strategy issues.

2.2.2 Evaluation of ESSET

The board had received preliminary feedback on an evaluation report of the work of ESSET at the beginning of 2004. The report was commissioned in 2003 and specifically sought to evaluate the impact of ESSET since its inception in 1996. This entailed seeking to understand the key events in the life of the organisations and its programmes, developments, relationships, organisations work processes and procedures, as well as the changing environment. Also, the review is aimed at gaining an appreciation of the impact those key events have on programme quality, existing partnerships, staff and stakeholder morale and future strategic thinking.

The loss of senior staff mentioned above impacted on the board's ability to speedily process the report as issues arising out of it could not be grasped or be responded to readily. To compound matters the consultant engaged to facilitate the process did not produce a final report integrating responses from the board and senior about his initial findings.

However, general findings from the report and subsequent internal discussions acknowledged the following achievements by ESSET over the years.

- Economic justice issues have been integrated into the life of the church
- Networks with other sectors of society have been developed and nurtured
- It produced cutting-edge research on economics and on the interface between economic and theology
- It helped link South African economic justice activism with international agencies and campaigns
- It pioneered economic literacy work within the churches
- It help increase the capacity of the churches to understand and respond to economic justice issues

The report also noted some developments which might have a negative impact on the growth of ESSET. Some of these are:

- The growing disjuncture between ESSET and the broader ecumenical family
- The fact that some of ESSET's core programmes such as economic literacy training, were now also being run by other ecumenical agencies
- The emergence of social movements in South Africa with the subsequent sharpening internal contests on views and campaigns for economic justice
- The increasingly silent voice of churches on issues of socio-economic transformation which questions ESSET's effectiveness as an agency intended to counter that
- The lack of wider accessibility to and use of research generated by ESSET in church and community campaigns
- The obscuring of ESSET's contribution in branded partnership programmes such as the People's Budget campaign and publications produced by Fairshare
- The increasing donor apprehension about the relevance and impact of ESSET was growing

2.2.3 Governance

ESSET as an agency of the churches derives its mandate from the churches. It continued to be governed by a competent Board of Trustees representative of various levels and streams of the churches' existence. The following members were active in the board during the year.

1. The chairperson, Bishop Ivan Abrahams, is the Presiding Bishop of the Methodist Church of Southern Africa and current chairperson of the Church Leaders Forum in South Africa;
2. Dr Molefe Tsele, General Secretary of the South African Council of Churches
3. Ms Puleng LenkaBula, a senior lecturer in ethics at the University of South Africa
4. Rev Mautji Pataki, ecumenical secretary of the SACC in the Limpopo Province
5. Rev Bafana Khumalo, a commissioner with the Commission on Gender Equality and chairperson of the National Initiative for Contextual Theology (NICTE)
6. Dr Graham Philpot, Director of the Church Land Project.

In addition to the normal strategy and policy formulation and programme and resources oversight, the board undertook other management responsibilities in the year under review.

3. PROGRAMMES AND ACTIVITIES

The following are programmes ESSET ran individually and in collaboration with other agencies.

3.1 Economic Literacy

- ESSET in partnership with PACSA ran a two-week training course on economic justice in Marianhill, KwaZulu/Natal Province. The course is made of two modules (one foundational and the other advanced) and is aimed at building the capacity of churches at local level to understand the role of local government in economic development and develop strategies to influence the same.

Overall the training course helped improve the capacity of local churches and community leaders to understand and influence governance and development issues within their municipalities. It is envisaged that the course will grow into a fully fledged national programme.

3.2 Trade and Ethics

- ESSET participated in discussions with the Economic Justice Network (EJN), SACBC Justice and Peace, PACSA and the SACC on how to enhance the churches' work on trade. This discussion endorsed the need for the churches to participate in the Global Week of Action on Trade in April 2005 through individual and joint ecumenical campaigns.

3.4 Church and the Economy

- ESSET organized and facilitated a One Day Consultation in Johannesburg. The workshop focused on theology, trade and economics as key components of the churches quest for economic justice.

The workshop contributed to the solidifying of ESSET's theological roots and deepened the rationale for its existence and a motif for its future quest.

- A seminar on **the Socio-Economic Status of Women** was held to reflect on the role and status of women in the church and society in the first decade of democracy with particular focus on progress made on transformation towards socio-economic justice. Participants were drawn from churches, ecumenical agencies, gender organisations, community based organisations and NGO's.

- ESSET convened a workshop for young Christians in Gauteng under the theme 'Church and the Economy: why bother?' in Johannesburg. The purpose of the workshop was to provide participants with a basic knowledge of economics and show the relevance of economics in their own personal lives as well as in the broader church. 15 people participated in the workshop which was addressed by researchers from the University of Johannesburg and economic justice workers from the NGO's.

The women and youth workshops strengthened the foundation for ESSET to improve its reach to women and youth these are the most affected by poverty and underdevelopment. It emerged strongly that interventions cannot be developed for the youth without their express participation.

3.5 Budget Monitoring

- ESSET organized and facilitated a three-day budget monitoring workshop in Cape Town. About 40 participants drawn from churches, NGO's, CBO's and labour federations attended the workshop. The purpose of the workshop was to discuss how the budget benefits the poor, women and children in our country.

4. PUBLICATIONS

- ⇒ How the Economy Works
- ⇒ Financing Local Government
- ⇒ Rising Food prices: Part 1 & 2
- ⇒ Budget Handbook
- ⇒ People's Budget Handbook
- ⇒ Economic Justice Handbook
- ⇒ The Implications of HIV/AIDS for South Africa
- ⇒ The Basic Income Grant Campaign
- ⇒ Fair Trade: Fact Sheet
- ⇒ Genetically Modified Organisms (GMOs): Hope for the hungry
- ⇒ South Africa's HIV/AIDS Policy Review: *Research on Available Government Policies and their Implementation*
- ⇒ Building Community in South Africa: A Christian perspective
- ⇒ Economic Literacy Course Training Module

5. FINANCES

Total donations received from donors in 2004 was R1 102 900, 10. These were grants received from:

- ⇒ Church of Sweden (R123 379, 90)
- ⇒ Christian Aid (R325 047, 50)
- ⇒ Diakonia (R251 665, 82)
- ⇒ Nowergian Church Aid (R246 426, 96)
- ⇒ Swiss Lantern Fund (R152 379, 92).

While this amount was lower than what had been budgeted for with decreased expenses on staff overheads, the organisation was able to see the year through.

6. ACKNOWLEDGEMENTS

Six members of the board remained committed to the organisation as it went through a difficult and challenging phase and deserve total gratitude. These members are Bishop Ivan Abrahams (chairperson), Rev Mautji Pataki, Rev Bafana Khumalo, Dr Graham Philpot, Ms Puleng LenkaBula and Dr Molefe Tsele.

ESSET could not have survived without the ongoing support of its donor-partners including those who continued to interact with the organisation while negotiations about the future were continuing. In addition to the donors who made contributions for that year, we include in the list the Evangelischer Entwicklungsdienst e. V. (EED), Swiss Interchurch Aid (HEKS) Development Cooperation.

The support of partners inside the country is acknowledged. It does rekindle hope in the ecumenical ideal of unity and cooperation to have partners continuing to keep ESSET as a programme partner even when at times it meant working with administrative staff with no programme or executive staff available. The SACC, PACSA and SACBC deserve special mention in this regard.

Final words go to those who worked for ESSET at one time or another during the year. These are Ms Patricia Sibanyoni – acting director till April 2004, Mr Billy Maseti – Acting Director from June to December, Ms Nana Gumede, Ms Kholi Mogotsi – Secretary / Administrator, Ms Busisiwe Thabane – Bookkeeper and Ms Nicoleen Mashigo – Researcher.

**20 May 2005
Khotso House
Johannesburg**

**Rev Desmond Lesejane
(Director)**