

# SANE Sustainability News



## NOTICES

All transcripts of speeches and proceedings from the Launch Event of the **Next Economy National Dialogue** are available at SANE via [www.sane.org.za](http://www.sane.org.za). Please follow the links. Thank you.

**Women in Africa Working Together Conference.**  
20-21 April 2010. For Information/Registration, follow link on left panel of [www.womeninfinance.co.za](http://www.womeninfinance.co.za)

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## EDITORIAL

Welcome to the inaugural issue of *SANE Sustainability News*!

In each issue we provide a highlights package of global and South African news items on a variety of topics, drawn from a range of international and national media sources. Click on the links to find the full original articles.

The 'Transition Tips' section offers suggestions on ways individuals and organisations can adapt to and mitigate the interconnecting challenges of resource depletion, climate change and economic transformation.

The 'Sustainability Matters' section provides more detailed commentary and analysis of global and local issues, emphasizing a sustainability perspective.

We hope you find *SANE Sustainability News* useful and encourage you to forward it to anyone you think might be interested – and who should not be interested in the current state of our world and country and in our collective future?

To find out more about SANE, please visit our website [www.sane.org.za](http://www.sane.org.za).

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# Transition Tips

## Preparing for a post-carbon world

### *How to conserve electricity*

Curbing unnecessary electricity consumption will save you money, conserve energy resources and reduce CO<sub>2</sub> emissions. Some actions are simple and require very little effort. Other require some investment that will pay for itself over time.

- switch off lights and appliances when not in use
- invest in a solar water heater; or if you can't afford one buy a timer switch that turns off your geyser during peak demand periods; set your geyser temperature to 55°C
- take a shower instead of a bath
- replace incandescent light bulbs with compact fluorescent lights (CFLs)
- switch off appliances at the plug (in stand-by mode they waste up to 50% of operating power)
- when you have to replace electrical appliances, buy energy efficient ones
- cook on gas if possible
- insulate your house or office
- wear extra clothing instead of turning on a heater

For more info, see: <http://www.eskomdsm.co.za/>

### *Sustainability is the new American Dream*

Today's consumer is emerging from the recession with a radically new definition of the American Dream and a renewed sense in their own resourcefulness and priorities according to a just released marketing study. The recession has revealed important new consumer priorities with quality of life and peace of mind at the top and a focus on living life in a more sustainable way both from an environmental and financial point of view.

<http://tinyurl.com/ydhemwo>

### *Lexicon of Change: The Rise of Transition Culture*

You may or may not have heard of the Transition movement — described by its founder, Rob Hopkins, as “an exercise in engaged optimism”— yet Transition's ideas are informing and even guiding the conversation of how communities confront the twin crises of peak oil and climate change.

The movement is driven by one simple idea: Rather than hand-wringing and lamenting dwindling energy reserves and climate change, Transition wants people to envision and create models for that future — and find much to be cheerful about.

“Transition” is predicated on the assumption that society cannot keep consuming energy and other resources at our current pace and that we're better off accepting this reality and choosing how to adapt rather than letting ourselves get backed into a crisis.

<http://tinyurl.com/yh8ke92>

### *Conservation farming*

Conservation farming is about doing less to get more. Instead of ploughing entire fields, farmers till and plant in evenly spaced basins. Only a tenth of the land area is disturbed. This reduces erosion and run-off - where soil and nutrients are washed away by rain.

For big or small, the principles are the same:

- disturb the soil as little as possible
- use natural processes as well as fertiliser to replenish its nutrients
- leave crop residue in situ rather than burning it off
- rotate crops

<http://tinyurl.com/yhh53eu>

# World News

## Global events from a sustainability perspective

### Economy

#### *What Is a "Green Economy?"*

by Herman Daly

A green economy is an economy that imitates green plants as far as possible. Plants use scarce terrestrial materials to capture abundant solar energy, and are careful to recycle the materials for reuse. Although humans are not able to photosynthesize, we can imitate the strategy of maximizing use of the sun while economizing on terrestrial minerals, fossil fuels, and ecological services. Ever since the industrial revolution our strategy has been the opposite.

Fortunately, as economist Nicholas Georgescu-Roegen noted, we have not yet learned how to mine the sun and use up tomorrow's solar energy for today's growth. But we can mine the earth and use up tomorrow's fossil fuels, minerals, and waste absorption capacities today. We have eagerly done this to grow the economy, but have neglected the fact that the costs of doing so have surpassed the benefits – that is to say, growth has actually become uneconomic.

<http://tinyurl.com/yg47juq>

#### *Global manufacturing fuels recovery*

The world's factories are fuelling the global economic recovery, with new figures showing that manufacturing output in the US, China and Europe is growing at a record rate.

<http://tinyurl.com/yempcn6>

*Ed's note: The growth is off a low base – the trough of last year's recession.*

#### *US jobs figures tempered by unemployment rate*

The Obama administration expects US job creation to quicken but economic recovery has a long way to go despite improved trends, White House officials said on Sunday. The addition of 162 000 jobs in

March was tempered by a stubborn unemployment rate that remained at a 9.7 percent.

<http://tinyurl.com/y89n87v>

#### *Africa's banking laws shut out the poor: Yunus*

Lack of microcredit laws in many African countries is denying millions of the continent's poor access to loans, said a Nobel Prize winner Mohammad Yunus.

Yunus, who won a Nobel Prize in 2006 for championing Microcredit, tiny loans to the poor in Bangladesh, is now pioneering an idea he calls "social business" as a way to fight poverty around the world -- business not for profit but to solve social problems.

<http://tinyurl.com/y9l46c2>

### Energy & resources

#### *US military warns oil output may dip causing massive shortages by 2015*

The US military has warned that surplus oil production capacity could disappear within two years and there could be serious shortages by 2015 with a significant economic and political impact.

"By 2012, surplus oil production capacity could entirely disappear, and as early as 2015, the shortfall in output could reach nearly 10 million barrels per day," says the report.

<http://tinyurl.com/yypqzc4>

#### *World energy briefing hears of peak oil by 2020*

The world's energy ministers recently discussed a forecast of global oil supplies "peaking between 2020-2025." The International Energy Forum is the world's largest gathering of Energy Ministers, who collectively represent "more than 90 per cent of global oil and gas supply and demand." It met March 29–31 at the Mexican resort of Cancun.

It considered peak oil with a document titled Unpacking Uncertainty: Investment Issues in the

Petroleum Sector, written by "strategic advisors" PFC Energy, chosen to give an impartial overview of the various oil supply claims.

<http://tinyurl.com/yykv5lw>

### *Scottish Government announces 'world leading' marine energy project*

SCOTLAND has taken a world-leading role in the emerging multi-billion-pound marine energy industry by approving ten projects with the potential to power almost a third of the country's homes. In the first initiative of its kind in the world, companies were granted leasing rights for schemes that could result in up to 1,000 wave and tidal energy devices being installed in the sea off the north of Scotland.

<http://tinyurl.com/yc9m7z2>

### *Obama to expand offshore oil drilling*

President Barack Obama announced a plan to expand oil drilling off US coasts, drawing protests from green groups but charges by Republicans it did not go far enough. The decision was a reversal of Obama's early 2008 campaign strategy, when he argued that lifting curbs on offshore drilling would take years to have an impact and would not provide enough sufficient extra supplies to be justified.

<http://tinyurl.com/y9uvpgn>

### *What's driving up oil prices again? Wall Street, of course*

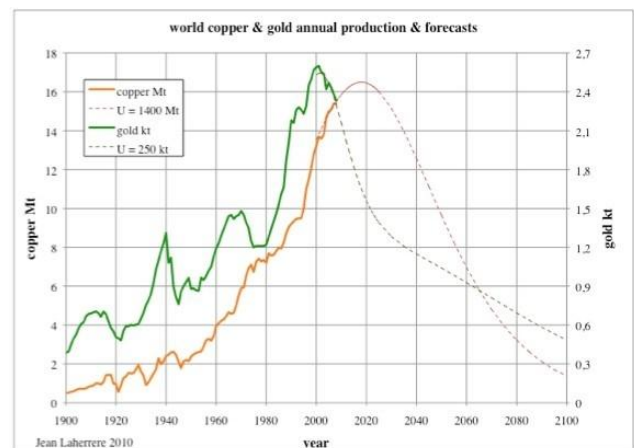
Oil consumption has fallen, demand from U.S. motorists for gasoline is flat at best and refiners that turn crude into fuel are operating well below capacity. Yet oil prices keep marching toward \$90 a barrel, pushing gasoline toward \$3 a gallon in many markets, and prompting American drivers to ask, "What gives?"

Blame it on the same folks who brought you \$140 oil and \$4 gasoline in 2008: Wall Street speculators. Experts attribute much of the recent rise in prices to flows of speculative money into oil markets. These bets are fueled by investor expectations that the U.S. and global economies are poised to return to growth and thus spark increased use of oil. Strong growth in China supports the narrative of rising oil consumption and tightening supplies.

<http://tinyurl.com/yk2uzu2>

### *Peak copper by 2020?*

Copper has been an important mineral in the world growth, in use for at least 10 000 years. The Bronze Age is well known for having replaced the Stone Age, and bronze is the alloy of copper and tin. Copper has the second highest electrical conductivity after silver. Its price went so high that copper cables are now often stolen, disturbing telephone and Internet communications. Copper is used in piping (water supply, refrigeration and air conditioning). Measured by weight, it is the third most important metal used by man after iron and aluminium (Radetzki 2009). Its use is challenged by new substitutes, but copper production will peak because it is a limited resource amounting to around 1400 Mt. Unlike oil, copper can be recycled, but developing countries' needs are huge.



<http://europe.theoil Drum.com/node/6307>

## **Environment**

### *Lovelock: 'We can't save the planet'*

Professor James Lovelock, the scientist who developed Gaia theory, has said it is too late to try and save the planet. The man who achieved global fame for his theory that the whole earth is a single organism now believes that we can only hope that the earth will take care of itself in the face of completely unpredictable climate change.

<http://tinyurl.com/y8j2n4e>

*Editor's note: At the age of 90, Lovelock's opinions are rather on the extreme. See the following article:*

### *James Lovelock's climate change pessimism is unhelpful*

<http://tinyurl.com/y8tfard>

### *Gulf Stream 'is not slowing down'*

The Gulf Stream does not appear to be slowing down, say US scientists who have used satellites to monitor tell-tale changes in the height of the sea. Confirming work by other scientists using different methodologies, they found dramatic short-term variability but no longer-term trend.

<http://tinyurl.com/yaproxg>

## Food & water

### *Allow farmers a profit and feed the world*

HOW to feed 9-billion people by 2050 has been a big worry since food prices rose drastically in 2007- 08. But any fight against hunger must deal with the 1 - billion people who lack food right now.

Calls for "new thinking" and a lot more money appear in a report from a 1000-delegate Global Conference on Agricultural Research for Development, this week in France. The world could need 70%-100% more food over the next four decades to meet demand from population growth and from higher incomes in such countries as India and China.

<http://tinyurl.com/yd8z39j>

*Editor's note: The author of this article totally misses the future impacts of oil depletion, 'peak phosphorus' and climate change on food production.*

### *Farm revamp needed for food security - study*

Montpellier, France - Feeding a fast-growing global population in the face of climate change and stagnant funding for food aid and farm research will require a fundamental revamp of agriculture, agricultural experts said.

But unlike the "Green Revolution" that dramatically hiked agricultural output in Latin America and Asia from the 1950s, a new agricultural restructuring will need to focus as much on new seed varieties as on good governance, women's empowerment and things like curbing commodities speculation, they added.

<http://tinyurl.com/yjwawy8>

### *Urban farming touted as tool for neighborhood revival*

Community gardens and urban farms could be valuable tools to help improve Buffalo's distressed neighborhoods, speakers from several local groups told Common Council members this afternoon.

Advocates are prodding the city to take early but key steps aimed at making it easier for people to create community gardens and pursue urban agriculture. The measures would include setting up a "diggable database" to help aspiring gardeners and farmers pinpoint land that has been cleared for planting.

<http://tinyurl.com/ybo49e8>

## Transport

### *Solar-powered boat Türanor raises hopes of a sun-fuelled future*

Considering its 85 tonnes and its potential to shape the future of maritime travel, the launch of Türanor was a surprisingly reserved affair. Next year, after an intense testing phase, Türanor will embark on her maiden voyage, a round-the-world trip during which her two-man crew will attempt to chase the sun in order to capture as much available solar power as possible and navigate her at an average speed of 7.5 knots.

<http://tinyurl.com/ygx7yfv>

### *Tokyo to trial electric 'filling stations' to boost green transport*

The first public trial of a system that "refills" electric cars in minutes will be launched this month. The Californian company Better Place will test its automated battery-swap stations in Tokyo. It is the latest element in the company's ambitious plans to build the world's first infrastructure networks for electric cars by the start of next year.

Globally, road vehicles generate around a fifth of carbon dioxide emissions. According to a study for the Department for Transport, widespread adoption of electric vehicles with a range of 30 miles or more could halve road transport emissions.

<http://tinyurl.com/ydxjgeo>

## Geopolitics

### *Iran seeks China's help to ward off sanctions*

IRANIAN nuclear negotiator Saeed Jalili was heading to China to discuss Tehran's atomic programme, a report said, as world pressure grew for fresh sanctions against the Islamic republic. Jalili's mission to Beijing comes after a call by the Group of Eight foreign ministers for stepped up pressure against Iran over its controversial nuclear programme, which world powers believe is masking an atomic weapons drive.

US President Barack Obama, who in March last year offered to open diplomatic dialogue with Iran, added to the pressure by saying on Tuesday he hoped new sanctions would be imposed against Tehran within "weeks". While the US, Britain, and France are pushing for a fourth round of UN sanctions against Iran, China, which is now Iran's main economic partner, maintains that a diplomatic solution to the crisis is still possible.

<http://tinyurl.com/yz67c7k>

### *China's global shopping spree*

Think of it as a tale of two countries. When it comes to procuring the resources that make industrial societies run, China is now the shopaholic of planet Earth, while the United States is staying at home. Hard-hit by the global recession, the United States has experienced a marked decline in the consumption of oil and other key industrial materials. Not so China.

<http://tinyurl.com/y6ek5mb>

### *Obama in Prague to sign new nuclear treaty with Medvedev*

The so-called "new START" cuts the number of deployed warheads by 30% from the levels set in the last major US-Russian disarmament treaty in 2002, specifying limits of 1,550 nuclear warheads for each of the two countries.

<http://tinyurl.com/yzlpsk6>

### *Kyrgyz Interior Minister killed in clashes*

Opposition followers killed Kyrgyzstan's interior minister, took the deputy prime minister hostage and captured state television in a deadly revolt Wednesday against President Kurmanbek Bakiyev.

Amid appeals for calm from Russia, authorities in the ex-Soviet republic said three opposition leaders had been arrested for perpetrating "serious crimes". The United States, which maintains an air base in Kyrgyzstan used in the NATO campaign in nearby Afghanistan, also voiced "deep concern".

<http://tinyurl.com/yd7zwyf>

# South Africa News

## A round-up of headline domestic issues

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### Economy

#### *Consumers perk up*

TWO reports yesterday pointed to a growing willingness by consumers to spend and borrow, adding to impressions that SA has shaken off the recession.

The Ernst & Young/Bureau of Economic Research (BER) quarterly consumer confidence index rose in the first quarter of this year to +15 from +6 in the previous quarter — the highest since the fourth quarter of 2007 — as consumers became more confident about their own financial prospects and those of the economy as a whole.

But Reserve Bank figures this week showed that consumer spending as a proportion of gross domestic product dropped in the final quarter of last year to 58,9%, its lowest since the third quarter of 1989.

<http://tinyurl.com/yz5ka89>

#### *Trade gap widens as recovery picks up speed*

THE trade deficit widened unexpectedly to R5,7bn in February, more than twice as large as expected and marking the biggest shortfall in more than a year, the South African Revenue Service said.

<http://tinyurl.com/yzb7szk>

#### *SARS collects R 8bn more revenue than forecast*

Finance Minister Pravin Gordhan has announced that by midnight on Wednesday 31 March the revenue service had collected 598.5 billion rand in tax for the financial year. "The projected budget deficit therefore narrowed to 166.1 billion rand or 6.8% of GDP, from the 7.3% published in February 2010, which is a further indication that the economy has started to recover."

<http://tinyurl.com/yez8a7d>

#### *Sparks fly over iron ore prices*

An agreement was reached on Tuesday between two of the world's biggest producers of iron ore that will raise the prices by as much as 90 percent. This will lead to a rocket rise in steel prices because iron ore is the key ingredient in producing steel.

The announcement will add to the woes of South African downstream steel users, who have been told by ArcelorMittal South Africa that it will now add a surcharge of R600 a ton to its customers from next month.

<http://tinyurl.com/yzxs3od>

#### *Reserve Bank rules out currency peg or revival of financial rand*

Pegging the rand against the dollar and reintroducing a parallel financial rand to prevent large outflows of capital from South Africa were ruled out as possible options to promote industrial growth by a senior SA Reserve Bank official yesterday.

Johan van den Heever, a Reserve Bank economist and the head of its research wing, was responding to ANC MPs' queries about whether the reintroduction of the financial rand would be conducive to fuelling investment in local industry. He said that it would open up the country to scams.

<http://tinyurl.com/ybq5lad>

### Energy

#### *World Bank approves Eskom's loan*

The World Bank has approved SA's request for a \$3.75bn loan to co-finance the Medupi power plant in Lephalale, Limpopo Province, and Eskom's proposed concentrated solar project and wind energy projects.

According to the statement, the loan has three important components namely:

— \$3.0bn for Medupi Power Station and related infrastructure, Africa's first power station using

"supercritical" technology which increases the efficiency of the plant.

- \$260 million for investments in renewable energy (Wind and Concentrated Solar Power projects).

- \$490 million for investment in low-carbon energy efficiency components comprising road to rail coal transportation and technical assistance for improvements in energy efficiencies of existing plants.

<http://tinyurl.com/ycj8t7b>

### *Eskom loan granted at 0.5% interest*

<http://tinyurl.com/y232qe7>

### *Renewables, imports to feature strongly in new SA energy plan*

The draft consultation paper on the second version of the integrated resource plan, or the IRP2, which will provide a power investment and energy-mix road map for the next 20 years, will be published during April, Energy Minister Dipuo Peters said.

The document, which was initially expected by the end of March, would form the basis for a far-reaching "stakeholder engagement process", which government's interMinisterial committee (IMC) on energy approved in late March.

Speaking to business leaders, Peters indicated that the plan would emphasise renewable energy, electricity imports and demand-side management (DSM) schemes. However, it is also likely to include further coal-fired power stations and the resurrection of the country's nuclear energy programme.

<http://tinyurl.com/yl6dau6>

### *Electricity consumption up 8,5%*

According to Stats SA, the volume of electricity consumed in February 2010 increased by 8,5% year on year. Electricity consumption for the three months ended February 2010 increased by 8,1% compared with the same period February 2009. The production of electricity in February 2010 increased by 9,1% compared with February 2009.

<http://tinyurl.com/yf6cs27>

### *Cosatu proposes wealth tax instead of Eskom hike*

Cosatu is demanding that government impose new

taxes on the rich instead of increasing Eskom tariffs by 25 percent a year for three years. Eskom's capital spending should be funded by, among other things, a tax on short-term capital flows, a tax on luxury and non-essential imports, and a once-off wealth tax on corporations and individuals, Cosatu demanded in a Section 77 notice filed with Nedlac.

<http://tinyurl.com/ydzpfeh>

### *SA outlines consultation process for 20-year energy plan*

The South African government's interMinisterial committee (IMC) on energy approved the much-anticipated "stakeholder engagement process" on Wednesday for the second version of the integrated resource plan, or IRP2, which will provide a power investment and energy-mix road map for the next 20 years.

<http://tinyurl.com/yzmrcad>

### *Exxaro confirms coal supply in line with Medupi's 2012 start-up plan*

The coal-mining unit of diversified resources group Exxaro Resources announced on Wednesday that it has signed a "definitive" coal supply and offtake agreement with Eskom for the 4 800-MW Medupi power station, which is being developed in South Africa's Limpopo province.

The revised agreement will see delivery of first coal during the second quarter of 2012, with ramp-up to full production by 2015. However, a stockpile would be developed, as from September 2011.

<http://tinyurl.com/yajz2e7>

## **Environment**

### *Cape farmers cautioned on Rift Valley fever*

The provincial Department of Agriculture has given assurances that fresh meat in the Western Cape is safe, following reported cases of the deadly Rift Valley fever in the province. Department spokesperson Wouter Kriel said that while there was no need to panic, farmers and farm workers should be extra vigilant, and avoid performing autopsies on animals as this could encourage the spread of the disease.

<http://tinyurl.com/yfs94q4>

## Transport

### *Upgraded Durban port now ready to handle far larger vessels*

State-owned freight logistics group Transnet formally announced the completion on Wednesday of the R3-billion project to widen and deepen the Durban harbour entrance - it also said that the project had been completed a month ahead of schedule and below the group's forecasted cost to completion.

<http://tinyurl.com/yd4to9n>

### *Taxi recap moves to back-seat as govt takes more holistic view of public transport*

To date, around 33 000 minibus taxis of an estimated fleet of 135 000 vehicles have been scrapped under government's taxi recapitalisation programme (TRP), says Deputy Transport Minister Jeremy Cronin. In 2004 it was promised that the current scheme would take seven years (2011) to complete, at a cost of R7,7-billion, up from the original budget of R4-billion to R6-billion. "The vehicles are not the problem, their operation is."

Cronin says government has now changed its approach, and that it wants to align the TRP with the integrated public transport planning taking place on a municipal level.

<http://tinyurl.com/yemtl2u>

# Sustainability Matters

## Commentary and analysis

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### *Prepare now for a looming oil supply crunch*

South Africa has learned the hard way about the consequences of inadequate energy supplies. Since the electricity crisis erupted in January 2008, supply constraints have hobbled our economy's development. Our leadership urgently needs to take action to avoid a similar looming energy crisis – this time concerning liquid fuels.

Over the past couple of years the world has begun to wake up to the reality of 'peak oil': the empirical fact that global oil production will inevitably reach a maximum rate – a peak – and thereafter decline inexorably due to the depletion of this finite resource.

Most of the world's governments have for decades taken their cues on security of oil supply from the International Energy Agency, which was set up after the 1970s oil shocks. Until recently, the IEA maintained that there was no prospect for oil supply constraints before 2030.

But the IEA's Chief Economist, Fatih Birol, admitted in an interview with the UK's Guardian newspaper late in 2008 that he expects conventional oil production to peak by 2020.

In November, a whistleblower from the IEA alleged that the agency knew very well about the threat posed by peak oil, but was under pressure from member governments – chiefly the United States – to keep the issue under wraps out of fear that open acknowledgement would lead to a stock market collapse.

A comprehensive survey of academic research and industry reports on peak oil published last October by the UK's Energy Research Centre concluded that "there is a significant risk of a peak before 2020".

A report for the US Department of Energy in 2005 warned that mitigating actions needed to be implemented at least 20 years before the oil peak to avoid serious economic and social dislocations.

The peak and decline will happen at a time when demand for oil is growing very rapidly in many developing economies. China's oil consumption has

leapt from six to nine million barrels per day in the past three years alone.

Because oil exporting countries like Iran and Saudi Arabia have been consuming an increasing share of their oil production, total world oil exports have in fact been declining since 2005 – a major factor underlying the steep rise in international oil prices observed since then.

Until now, most national governments have not publicly acknowledged the threats posed by oil depletion. One exception is Sweden, whose government in 2006 outlined plans to halve the country's oil consumption by 2020.

And just last month, the UK's Energy Minister called a summit with industrialists to discuss his government's response to a near-term oil peak.

This follows the publication in February of a report entitled "The Oil Crunch" by the UK Industry Taskforce on Peak Oil and Energy Security. The taskforce – whose membership includes Sir Richard Branson, founder of the Virgin Group – stated that "We must plan for a world in which oil prices are likely to be both higher and more volatile and where oil price shocks have the potential to destabilise economic, political and social activity."

The dramatic price spike in 2008, when oil reached \$147 per barrel, was a major contributor to the global economic crisis. The recession dented demand for oil in the industrialised countries and effectively postponed the oil supply crunch for a couple of years, buying the world some precious time to prepare.

Despite the synthetic fuels produced by Sasol and PetroSA from coal and gas, respectively, South Africa imports about 70 per cent of its liquid fuels and is therefore highly exposed to international oil shocks. More than two thirds of oil imports come from the volatile Middle East.

Our transport systems are overwhelmingly reliant on petroleum fuels, which make up 98% of the sector's energy supply. Conversely, the transport sector accounts for over three quarters of national oil consumption and is thus our Achilles heel with respect to global oil depletion.

The National Department of Transport calls transport “the heartbeat of the economy”. Rising fuel prices lead to higher prices of food and many other goods and services, pushing up the overall rate of inflation and raising the costs of living.

Physical shortages of fuel would disrupt flows of commuters to work-places, learners to school and food from farms to supermarkets, and hamper economic activity in general. The Department of Energy estimated in 2005 that a total liquid fuel supply disruption would cost the economy nearly a billion rand a day.

What could our government be doing to prepare for the inevitable decline in global oil production?

For a start, preparing for peak oil should become a cornerstone of the National Planning Commission – and it should be integrated with plans for poverty alleviation, food and water security, job creation, climate change and other pressing development challenges.

More broadly, all aspects of government policy should be underpinned by an expectation of much more expensive and scarcer oil supplies in the future.

There is a wide range of policies and measures that can be implemented to mitigate the effects of peak oil.

The first step should be a comprehensive conservation programme that cuts unnecessary fuel use and raises energy efficiency.

One simple conservation measure is to reduce road speed limits – which will save lives as well as fuel and money. Another is to educate drivers on ways to improve their fuel economy, such as using the correct gears and tyre pressure.

Proper traffic management can also help reduce fuel consumption. Carpooling can be encouraged by having dedicated multiple-occupant lanes on city freeways. Various types of fuel rationing could also be considered.

Any government support that is given to the automotive sector should be tied to improved fuel efficiency standards. Even better, government should appropriately incentivise the development and production of electric cars – such as the home-grown Joule – which are much more energy efficient than internal combustion vehicles.

The second strategy concerns infrastructure spending.

Rather than widening roads and building new or upgraded airports, public money would be better spent on more sustainable forms of public transport.

The bus rapid transit systems under development in Cape Town and Johannesburg are steps in the right direction, as are safe cycle lanes and cheaper internet bandwidth to support telecommuting; all of these need to be expanded and accelerated.

Our long-neglected railways must be refurbished, extended and electrified. Priority should be given to major freight transport corridors such as between Gauteng and eThekweni. Light rail systems could be an option for the big metros.

For rail and road transport systems to be progressively electrified, the country will need to expand its electricity production even more than Eskom is currently planning. This will require huge extra investments in renewable energy such as wind farms and concentrated solar power plants. Such investments will have the additional benefit of creating new ‘green’ jobs.

Agriculture is another sector of the economy that is particularly vulnerable to rising oil prices.

Farmers will need support to cope with rising input costs and to progressively switch over to organic production methods that are not dependent on fossil fuels. A training programme for small-scale and urban farmers is also imperative to promote food security and social stability.

By acknowledging the reality of the imminent peak and decline in global oil production and planning accordingly, our leaders can do much to secure a positive future.

There is much that can be done to mitigate the impacts of oil scarcity, but the longer actions are delayed the more costly and difficult they will be. We need to seize the moment and accelerate the transition to a sustainable economy.

Jeremy Wakeford

# About SANE

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The South African New Economics Network (SANE) is a network of organisations and individuals developing new economic and financial models designed to promote poverty alleviation, community self-reliance, civic redevelopment, ecological sustainability, social equity, and economic justice for all South Africans.

SANE is organised as a free association of organisations and individuals who recognise the central role of economics in modern society and are concerned about the social and eco-systemic consequences of economics as it is conventionally taught and practised.

SANE challenges the narrow way in which most economists have tended to reduce people to economic agents, the environment to property, social institutions to markets, and progress to growth in production.

SANE questions the effectiveness and responsibility of the present world economic system in the face of widespread evidence of worsening income inequality, poverty, unemployment, violent crime, environmental degradation, unfulfilling work, and disintegration of traditional values and social systems.

SANE encourages dialogue on and experimentation with alternative economic theories, practices, models, systems, and choices which are purposefully designed to promote social and personal flourishing, economic equity and justice, community self-reliance, and eco-systemic sustainability.

## **SANE Activities:**

- Research, communication, civil society capacity building, and advocacy
- Internet discussion forum, email bulletins, and web site
- News Bulletins and New Economics newsletter
- New Economics study groups
- A monetary innovation think-tank group
- Promotion of local economic activity and community building through Community
- New Exchange & Financial Systems
- Accessing international New Economics literature and research, and running a New Economics resource centre
- Networking locally and internationally
- Experimentation with New Economic and Financial Models
- Open Participation for “Non-Experts”

To contact us, please email [info@sane.org.za](mailto:info@sane.org.za).

To join the SANE Community, please visit our website: [www.sane.org.za](http://www.sane.org.za).