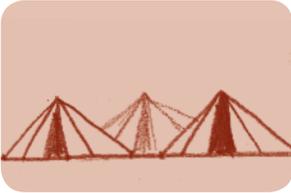


nef Review of the Year 2011-12



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Foreword

Sam Clarke Chair of Trustees



For a think tank to have any credence today it has to be addressing central issues confronting society, it has to be coming up with ideas that change the world and it has to be making itself heard. This year, **nef** has delivered on all of these fronts, as you will read in this review.

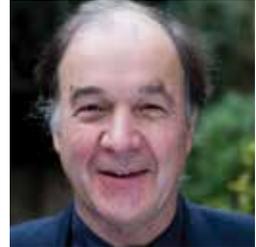
At a time when the certainties in this world are being questioned, **nef** has been there providing innovative answers and fresh thinking. Our expertise, built up over years of working in the field, is knitted together with first-class research by a committed team. All of whom work tirelessly to find solutions to the great social and economic challenges we face. On behalf of all the trustees, I'd like to thank both our visionary funders and our exceptional staff.

Together we are beginning to put that experience together to articulate the Great Transition we know we need to make, providing greater well-being and social justice while staying within the planet's resources. This remains our overarching challenge. One which will require us gradually to focus all of our resources onto the problems we face. Whether we are describing the role of banks or the state is, what constitutes a good job or a good life, or how we reduce our global footprint and economic inequality.

Whether you are a funder, an academic, a business person, a politician or simply a concerned citizen, we encourage you to support us. And if you have already done so, thank you.

Foreword

Stewart Wallis Executive Director



We are into our second quarter century at **nef**, and are seeing a growing movement towards the Great Transition that we have been urging and predicting.

Every week brings more evidence that some senior politicians, business people and policy-makers are starting to see the problem and seeking us out for the answers. However, paradoxically, too many still see business as usual as the only answer.

This year there have been many important steps forward, including: the increasingly influential case our Finance and Business team is making for banking reform; the development of the prevention agenda by our Social Policy team; the ground-breaking policy work by our Well-Being team; the enormous interest across Europe in our work on fish stocks; and the growing impact of our campaigners in the Great Transition. This review includes just some of the highlights.

This has also been the year that the global push for a Great Transition has gathered momentum. We are delighted to have played a part in the emergence of our American partners at the New Economics Institute. The development of a sister organisation in North America opens up a whole range of new possibilities and exciting opportunities to build a global new economics that puts people and planet first.

None of the achievements that you will read about in this review will have been possible without the support, energy and enthusiasm of our supporters, who make every step forward possible and provide the brightest hope for change. My huge thanks to all of you.

July

We publish our report on the **Good Banking** summit on financial reform, featuring contributions from Will Hutton, Shadow Business Minister Chuka Umunna and Alex Brummer, City Editor of The Daily Mail.

The **All-Party Parliamentary Group on Well-being Economics**, which we administer, holds a packed out meeting in Westminster to hear Professor Martin Seligman, founder of Positive Psychology, talk about what 'flourishing' means for public policy.



August

Money Overboard

We calculate that UK fishing crews have thrown away stocks of cod worth about £1bn since 1963. This practice of discarding catches takes their haul outside quota limits. During the summer, we used this data to publicise the UK NGO position on the European Common Fisheries Policy, and held a series of events to bring the key people in fisheries policy together – including a conference at the London Zoo with the Fisheries Minister Richard Benyon and TV chef and campaigner Hugh Fearnley-Whittingstall. The report gains widespread publicity across Europe.

Our submission to the HS2 consultation identifies that the Government's case for a high speed rail link was incomplete and should not be used as the basis for a decision on the project. We urge that the Department for Transport bring in independent experts to do a proper study to assess the true value of such a high-cost project. Our Executive Director, Stewart Wallis is later called to give evidence at the Public Accounts Committee on the strength of our research.



September

Where Does Money Come From?

How is money created? We set about providing a definitive answer and the result was the book *Where Does Money Come From?* The book explained, for the first time, how private banks create the vast majority of money in circulation, a fact that many people, including some economists and bankers are unaware of. The book was praised by a range of experts and has already been adopted as core text on City University's economics course. An updated second edition is now available.

We are hired by the Catalan government to work on developing a greener regional economy.



Quid Pro Quo

Our report exposing the £46 billion of hidden subsidies enjoyed by the UK's big banks attracts huge media coverage getting **nef** into the pages of The Sun, BBC, Sky, The Financial Times, Daily Telegraph, Daily Mirror, Daily Mail, and New Statesman. Despite falling from its 2009 peak, the subsidy was still 62% higher than in Germany, despite the latter having a significantly larger economy.

The Brixton Pound, the local currency launched two years ago with **nef**'s help, creates the first local e-currency – launched by Shadow Business minister Chuka Umunna. The e-currency enables 'pay-by-text' transactions. The launch also marked the release of new Brixton Pound notes bearing pictures of local heroes, including David Bowie and Violette Szabo. The currency has already made a real difference – boosting the local economy, encouraging sustainable shopping and supporting small local businesses.



October

Value Slipping through the Net

nef's Head of Environmental Economics, Aniol Esteban and researcher Rupert Crilly are called to give evidence at the Agriculture and Fisheries Select Committee at the House of Commons. Aniol and Rupert's report Value Slipping through the Net demonstrates who benefits from public fish resources and who generates the most value for the public in return. The report provides quantitative evidence for European NGO policy as they seek to influence Common Fisheries Policy reform.

We translate our long term research into human well-being into lessons that can be put into place by policy-makers. We launch this work as a partner in the EU consortium of researchers known as BRAINPOOL (Bringing Alternative Indicators into Policy), working across Europe on how different headline measures – rather than just GDP growth – can give well-being, social justice and sustainability a central place in policy.

As the Occupy movement sets up camp in London, many members of the **nef** team join them to lead workshops and make speeches on banking, the economic crisis and how we can start to make the transition to a stable economy.



November

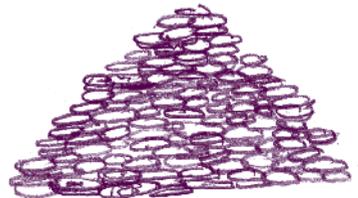
Why the Rich are Getting Richer

We publish a landmark report into economic inequality in the UK. Our research explains not only why levels of inequality are at a record high but sets out why policies aimed at improving social mobility, reducing child poverty and addressing the North-South divide are doomed to failure if economic inequality is not tackled.

Practical Politics of Well-being

Our well-being agenda receives a ringing endorsement from cross-party MPs and the then head of the civil service, Sir Gus O'Donnell, when our Practical Politics of Well-being pamphlet is launched at the All-Party Parliamentary Group on Well-being Economics.

Building on the success of the Brixton Pound, **nef** launches **Community Currencies in Action** with Lambeth Council and partners in South Wales, Nantes, Antwerp and Amsterdam. Funded by the European Commission, this project will pilot new schemes and evaluate how different models contribute to prosperity, resilience and sustainability.



December

'Queen of Shops' Mary Portas publishes her government report on the future of local high streets to widespread acclaim. **nef** contributed to the review and the final report draws heavily on our years of research in this area. Mary's recommendations echo many of our own, representing a step in the right direction for local economies in the UK.

We begin a three-year project for the Office of the First Minister and Deputy First Minister in Northern Ireland to work on labour market trends and economic inequality.

Local Banking

Over a hundred experts in banking and politicians from across the political spectrum come to our conference on the importance of local banking. The conference kick-starts our campaign for local banking, which has since included debates in the House of Commons, and a series of amendments to the new Financial Services Bill.



January

About time

Our major conference at the London School of Economics puts a shorter working week on the national agenda. A panel of leading economists, including Lord Skidelsky, Tim Jackson and Juliet Schor, discuss a gradual reduction in working hours to just 21 a week, and how this could help to solve our most pressing social, economic and environmental concerns. **nef's** Head of Social Policy Anna Coote discusses the proposal with Andrew Marr on Radio 4's Start the Week – part of considerable coverage from across the media.

In the public interest

nef brings together an assembly of 300 people for a citizens' debate about the public interest, with speakers including Guardian Editor Alan Rusbridger, sociologist Richard Sennett and UK Uncut's Danni Paffard.



nef's Executive Director, Stewart Wallis, addresses politicians and business leaders from across the globe at the **World Economic Forum** in Davos.

February

Good Jobs

Our ground-breaking report into the UK labour market, Good Jobs for Non-Graduates, finds that the 60% of people who don't go to university have little prospect of finding skilled work with decent pay and prospects. We launch the report at a conference featuring Business Secretary Vince Cable and call for a modern industrial strategy capable of tackling the problem.

How Did We Get Here?

nef's Senior Economist James Meadway concisely explains the reasons behind the economic crisis in our simple, two-page briefing How Did We Get Here?

Jobs Lost at Sea

Our major report Jobs Lost at Sea demonstrates that environmental damage also has an economic cost. We set out the benefits of letting 43 European fish stocks recover, including the creation of 100,000 jobs and wider benefits worth three times annual EU fishing subsidies. The report gets huge publicity across Europe and is quoted by the EU Fisheries Commissioner. **nef's** Head of Environmental Economics, Aniol Esteban and researcher Rupert Crilly present their findings to the European Parliament and the Italian Senate.



March

nef helps to launch **Move Your Money UK** – a national campaign to spread the message that we, as individuals, can help to build a better banking system through consumer power. Through this we hope to strengthen the ethical banking sector, and broaden and enhance the debate on financial reform.

nef researcher, Faiza Shaheen, contributes to the prestigious Ditchley Foundation conference on income inequality and its impact on economic management and growth.

From Protest to Progress

Following on from the eviction of the Occupy protestors from St Paul's, Head of Social Policy Anna Coote chairs **From Protest to Progress** at the London School of Economics. Speakers from Occupy, Move Your Money and **nef** lead a spirited debate about harnessing the energy of protest movements.

We launch a major programme of work with environmental NGOs, including WWF UK, Wildlife Trusts, RSPB and Marine Conservation Society, to help them effectively use socio-economic data in their cases for biodiversity.



The New Austerity and the Big Society

Our innovative research project, New Austerity and the Big Society, enables local communities in deprived areas in Birmingham and London to document their own experiences of the impact of government spending cuts. We publish our first interim briefing and initial findings.

Just Banking

nef hosts Just Banking – a major national conference on banking and monetary reform in Edinburgh. Tony Greenham, **nef**'s Head of Finance and Business, speaks alongside the Bank of England's Adam Posen, member of the Monetary Policy Committee.

Our Good Jobs Taskforce, made up of leading figures from civil society, unions and business, meets for the first time to formulate policy recommendations that will lead to the creation of jobs that deliver decent pay and high levels of well-being.



May

Wisdom of Prevention

nef unites a range of experts from across the policy spectrum including Adair Turner, Jonathon Porritt and Public Accounts Committee Chair Margaret Hodge at our **Wisdom of Prevention** conference at the London School of Economics. The event kick-starts a debate on investing in prevention as an alternative to spending to cope with problematic outcomes. The conference launches a thought-provoking report by **nef**'s Head of Social Policy, Anna Coote which explains how prevention makes better use of public money by reducing the need for costly state services.

Our reputation as one of the most popular think tanks on Twitter is cemented with our 20,000th follower.

A New Macroeconomic Model

nef's economists make a major breakthrough by developing our new macroeconomic model to include the behaviour of banks and the financial sector, things conventional models fail to do. Our economists present the findings at the United Nations Earth Summit in Rio and to academics on both sides of the Atlantic.

The TUC commissions **nef** to look at the economic impact of proposals for regional pay for public sector staff.



Happy Planet Index

Our third global Happy Planet Index is launched gaining widespread media attention around the world. Thousands of you help to promote the report by sharing our infographic on Facebook – viewed by over 30,000 people in a week.

We help to establish a sister organisation in North America, the New Economics Institute, and welcome the appointment of its first Director Bob Massie. Our transatlantic partnership began in earnest this month with **nef** staff, fellows and trustees taking part in their hugely successful launch conference at Bard College on the Hudson River.

Our first joint project with the New Economics Institute, along with Stakeholder Forum, is Global Transition 2012 showcasing global projects that challenge business as usual. As part of the programme **nef** researcher Viki Johnson spoke at the Earth Summit in Rio.

Festival of Transition

Our crowd sourced Festival of Transition features a series of events to coincide with the Earth Summit, including debates, talks and workshops hosted by museums, galleries and public spaces across the country. There are also Transition Walks, in association with the Ramblers Association, across Bristol and London to explore the history of change and what can happen if we choose to act.





nef consulting is a social enterprise that puts new economics into practice by mainstreaming and disseminating **nef**'s innovation and ideas. Now four years old, **nef** consulting has worked with more than 80 clients across the public, private and third sectors and has built a reputation as a value-led consultancy that delivers excellent social impact research.

In the last year **nef** consulting has worked with one of Europe's top 5 energy providers to examine the local economic impact of renewable energy projects; assessed the social impact of a national youth charity and evaluated the effectiveness of a major programme to develop inter-faith community relations.

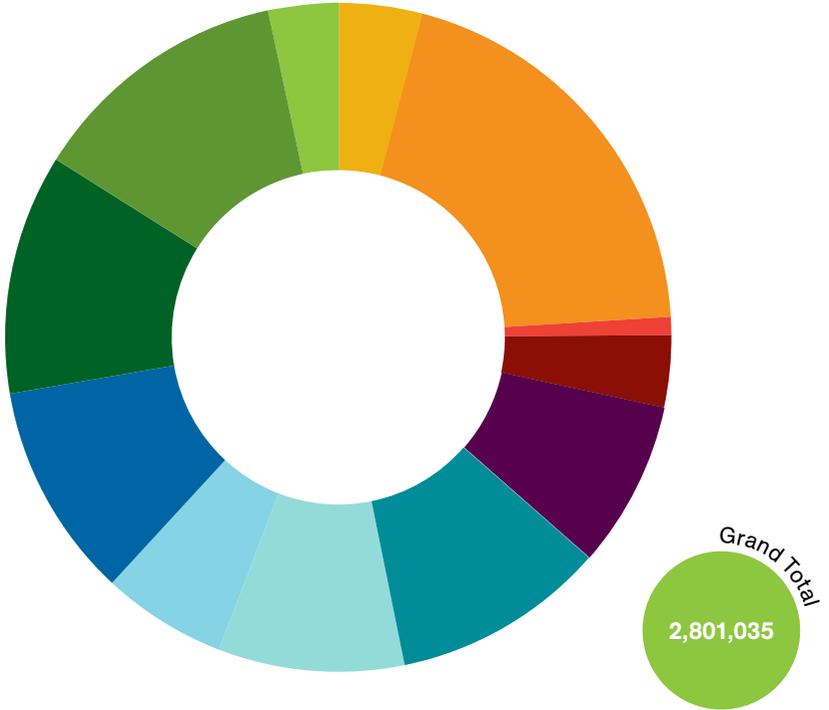
Other highlights of 2011-12 include the launch of our ground-breaking Happiness at Work Survey which draws on ten years of **nef** expertise in well-being in the workplace and allows organisations to address performance and employee well-being in a practical way.

2011-12 saw **nef** consulting expand to South Africa to develop opportunities for our ideas and methodologies in the global south, building on successful international partnerships and an appetite for new economics beyond the UK.

www.nef-consulting.co.uk

Financial summary

Expenditure by Programme or Function 2011-2012



- Strategic Fundraising
- nef Consulting
- External Affairs
- Climate Change & Energy
- Environmental Economics
- Finance & Business

- Great Transition Initiatives
- Local Economies
- Social Policy
- Valuing What Matters
- Well-being
- Governance Costs

nef's total income for 2011/12 was £3,286,061. It was derived from 3 sources:

1. Major Grants and Donations

£400,000 to £499,999

- Tubney Charitable Trust

£200,000 to £299,999

- The Hadley Trust

£100,000 to £199,999

- AIM Foundation
- European Commission
- Freshfield Foundation
- Network for Social Change

£50,000 to £99,999

- The Ford Foundation and the Villum Foundation, through a partnership with Stakeholder Forum for a Sustainable Future
- Nesta and the Cabinet Office
- OAK Foundation Ltd
- Paul Hamlyn Foundation
- People's Health Trust
- The Tudor Trust

£30,000 to £49,000

- Barrow Cadbury Trust
- The City Bridge Trust
- Lankelly Chase Foundation
- New Economics Institute
- Social Care Institute for Excellence

£20,000 to £29,000

- Calouste Gulbenkian Foundation
- Joseph Rowntree Charitable Trust
- Office of the First Minister and Deputy First Minister
- R H Southern Trust
- The Royal Academy of Engineering

£10,000 to £19,999

- Sheepdrove Trust
- Nic Marks
- Polden-Puckham Charitable Foundation

£5,000 to £9,999

- Sherwood Forest Fund

We would also like to thank the Roddick Foundation for a generous and completely unrestricted grant.

2. Individual supporters

Our 1,400 regular supporters gave a total of £121,860 this year. No individual gave more than £5,000.

Thank you to nef's Just Bond holders and to all the individuals whose regular support we could not do without.

3. Earned income

For over 25 years nef has pioneered social, economic and environmental measurement. Our expertise enables us to generate additional income through consultancy services in impact evaluation and organisational development for charities, the public sector and businesses. Much of this work is carried out by our wholly-owned social enterprise, nef consulting. These contracts do not affect our research and advocacy agenda.

Thank you

nef is proud to be independent of political parties and special interests. We are a registered charity and rely on a broad cross-section of individuals, charities, companies and public sector funders to undertake our work. We believe that all organisations trying to influence policy should be open about how they are funded. We are proud that **nef** was recently awarded the highest rating for funding transparency by the Who Funds You political funding campaign.

We are delighted to thank all those listed who made donations and grants over £5,000. We would also like to express our gratitude to the thousands of **nef** supporters who give generously each month to create a powerful voice for people and planet.



nef is an independent think-and-do tank that inspires and demonstrates real economic well-being.

We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environmental and social issues. We work in partnership and put people and the planet first.

nef (new economics foundation)

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