

"Small businesses are the backbone of a democratic society and the fabric of a civil society."

--Alexander Bessmertnykh, former
Russian Foreign Minister to the U.S.

Letter from Susan Witt
Executive Director of the E.F. Schumacher Society
on the 12 October 2002
Demiurgus Peace International Gathering
Christmas Eve 2002

From: "E.F. Schumacher Society" <efssociety@aol.com>
To: "Brian Hill" <bhill@igc.org>
Sent: Sunday, December 29, 2002 7:53 PM
Subject: Peace International

Dear Brian Hill,

On October 12, 2002 Demiurgus Peace International (www.dpi-zug.org) held a Peace Concert and Awards Ceremony in Zug, Switzerland. Andrey Bykov, the founder of the organization, invited me to sit on its Council representing the E.F. Schumacher Society. My role at the ceremony was to present South Africa's Archbishop Desmond Tutu with a \$50,000 prize for his contributions to world peace.

In this letter I would like to relate my experiences in Zug with two objectives: The first is to describe the remarkable impact one person can have who boldly pursues a dream, following where it leads, watching and nourishing its unfolding. The second is to share the powerful sense of hope, possibility, and appropriateness that lives in Fritz Schumacher's elegantly simple concept that the most sustainable, humane, just, and responsible economic system is one in which the food, clothing, shelter, and energy consumed in a region is produced in the same region using local resources. It is a long letter. I write it with the time of year and the rapidly unfolding events in mind. If you cannot read it now, please put it aside and read it later.

The ceremony in Zug was the first public event convened by Global Dialogue for Peace headed by the Russian businessman, Andrey Bykov. Inspired by the work of Yehudi Menuhin, Bykov met with the violinist before his death in 1998 to strategize how to continue Menuhin's initiative to employ music as a means to promote peace. Menuhin named several persons Bykov should contact. In 1999, at times accompanied by his friend Anatoly Karpov the Russian Chess Master, Bykov visited world cultural and religious leaders seeking their

advice on implementing a global dialogue for peace. At the suggestion of Wendell Berry, Bykov spent several days at the E.F. Schumacher Library reading and talking about tools to strengthen local economies.

Then during 2001, Bykov assembled several small gatherings to bring together the voices he had encountered in his travels. The proceedings of these events were published and circulated. My remarks made at the September 15, 2001 gathering at Forest Row, Sussex, England, are available in the E.F. Schumacher Society's pamphlet "An Economics of Peace." Out of these discussions grew the idea for Demiurgus Peace International.

In all seven awards were presented on October 12th in Zug for achievements in both nuclear disarmament and world peace. In addition to Tutu, the recipients included Russian President Vladimir Putin (for his initiative in destroying atomic weapons), and the American media entrepreneur Ted Turner, for his support and engagement in United Nations development projects and commitment to nuclear disarmament. The Demiurgus Peace International Prize 2002 was also awarded to the Patriarch of the Russian Orthodox Church, Alexy II, and Professor Maulana Wahiduddin Khan, known as "the father of peaceful Islam," who has worked for years for a reconciliation between India and Pakistan. Other winners were Princess Elizabeth Karadjievic of Yugoslavia, active in her own broad-based foundation in her native land for humanitarian projects, and Michael Windey, the founder of the Village Reconstruction Organization, honored in India as the heir to Mother Teresa's legacy of aid projects.

Former Russian President Mikhail Gorbachev served as honorary patron of the ceremony and Anatoly Karpov chaired the proceedings. The Russian National Orchestra under the direction of Vladimir Spivakov played Tchaikovsky's Fifth Symphony and Rachmaninov's Second Piano Concerto to a capacity audience of five hundred and fifty, before and after the awards ceremony itself.

The World Council of Former Foreign Ministers (www.worldmin.org), and the Nuclear Disarmament Forum (www.ndf-zug.com), which develops technology for the neutralization of weapons-grade plutonium and uranium, co-sponsored the Awards Ceremony. The event brought together religious leaders, statesmen, nuclear industry professionals, and musicians. The uniting theme was peace. Not a combination that commonly shares the stage at such events, but one that reflects the complex interests of Andrey Bykov. Bykov's business is to sell Russian natural gas directly to German industries. His skill is to achieve higher prices for the raw product and lower prices for his German clients than the former method of using a middleman delivery system. He took the profits from his business to support his passion to further world peace. As the originator and major funder of the event in Zug he was free to shape it in his own way. It is a bold new way of working that turns heads and wakes imaginations. The cross fertilization of professions encourages new approaches to problem solving.

For me the most productive part of the Demiurgus Peace International weekend was the October 12th morning round table at the Zug Town Hall. Bykov invited twenty-four of his guests to participate in a discussion on the future of world peace. There Maulana Wahiduddin Khan, Father Michael Windey, Desmond Tutu, Alexander Bessmertnykh (the former Russian Foreign Minister to the United States), and the former ministers of Jordan

(Marwan Kassem), Algiers (Lakhdar Brahimi), Kuwait (Sheikh Salem S.Al-Sabah), and Malta (Alex Sceberras Trigona) all spoke to the topic. Tutu in his wonderfully bright and wide-eyed way said that God is a dreamer and that we must be willing to dream new possibilities for peace. Father Windey, a golden-tongued Belgian Jesuit who has worked for decades with the poorest of the poor in the rural areas of India, spoke of the need for renewal of the villages. Maulana Khan's presence alone spoke volumes -- a revered Islamic scholar, he has devoted his life to the reconciliation of India and Pakistan.

Perhaps the comments of the Algerian Foreign Minister, Lakhdar Brahimi, were the most telling. He spoke as an African for Africa -- a retired diplomat now free to speak from his heart for his people. His comments were to the effect that the people of Africa consider the amount of diplomatic effort devoted to a few places in the world to be an obscenity. Africans are dying of aids, of starvation, of poor water, of internal violence, of countless other diseases and yet are ignored in diplomatic circles, a forgotten continent. He warned that no lasting peace will occur until this injustice is addressed.

Bykov asked me to speak and reminded me that I was the only American in the group. My comments were the following: the United States is on the verge of war with Iraq, yet a significant percentage of American citizens are opposed to this war. I asked the religious leaders and diplomats at the gathering to use their public positions to speak out against this war, so supporting those in the United States seeking other solutions.

Though in the short term we must take a position on events as they unfold and make clear our opposition to specific wars, at the same time we must work on long term solutions to the root causes of war. At the E.F. Schumacher Society we believe that peace is synonymous with economic equity and greater regional self-sufficiency. Because of this we think it is imperative to develop ways in which village after village around the world can produce the basic necessities of food, clothing, shelter, and energy from resources within their own region. This work should be conducted in a manner that is socially just, ecologically responsible, economically sound, reflects the culture of the region, and is democratic in structure. The promise of peace lives not in a global economy maintained by a world wide police force, but in a decentralized system of vibrant regional economies -- a vision that Jane Jacobs articulated so beautifully in her *Cities and the Wealth of Nation*, in which she developed the concept of import-replacement businesses.

There is much work ahead for all people of good will.

This message touched the hearts of the religious leaders and statesmen at the round table. To the religious leaders, people of vision, Schumacher's ideas gave grounding to their dreams, the possibility of practical action. To the statesmen seeking ways to further the well being of their people, the concept of decentralized economies in an age of increasing centralization, presented a new approach that drew them outside engrained political stances.

At the small luncheon following the round table discussion, I sat at Gorbachev's table next to Alexander Bessmertnykh. When asked what are the most pressing problems facing Russia, he responded that it was the lack of small and medium sized businesses. He commented that Russia had been good at forming large businesses -- gas, oil, large industry -- but had failed to develop small businesses. "Small businesses are the backbone of a democratic society and

the fabric of a civil society." Russia neglected this essential element in its new economy.

I then queried him about financing for small businesses and he responded that Russia has only one large bank that holds eighty-five percent of all deposits, yet it is not reinvesting in Russia. Bessmertnykh said that the heads of the bank explained that investments in Russian businesses were not safe investments and that the bank made more money for its depositors by investing outside the country. The very institution that should be helping with the economic rebuilding of Russia, is failing in its task.

When I asked about the possibility of building regional banks and local currencies, he was taken by surprise. I explained that the United States had not built its own economy through the instrument of a centralized banking and monetary system. At the end of the nineteenth century, local banks around the country issued their own currency according to the individual credit needs of the region. This capability facilitated the diverse regional economic growth, which is still the underpinning of the American economy. Yet now as a nation we are encouraging developing countries to depend on a global banking and monetary system, one that we ourselves did not use in our own period of development.

Bessmertnykh responded that local currencies could not be legal and I referenced the twenty-three communities in North America currently experimenting with local issue and Professor Lewis Solomon's book [*Rethinking Our Centralized Monetary System: The Case For A System Of Local Currencies*, Westport, CT: Praeger Press, 1996, ISBN: 0275953769 --rator] analyzing the legal aspects of local currencies. He handed me his card and asked me to send all we had on local currencies so that he could consider their application in Russia.

Four of my seven tablemates at lunch were Russian; as a consequence, there were many toasts. I joined in with a toast to Lake Baikal, the great lake of Siberia that holds twenty percent of the earth's fresh water. The toast drew inquiries as to why an American woman was championing Baikal. So I explained that in 1992 David Brower and a team of international environmentalists invited me to Lake Baikal to help develop ways to finance the cottage industries started by Buryat women living in the Olkhon Raion on the lake's western shore.

When I got there I realized that no investment could take place, because there was no private ownership. Yet you would not want to privatize lake frontage of the world's deepest lake. At the E.F. Schumacher Society we therefore proposed that all the land of the Olkhon Raion, in the Irkutsk Oblast, a region as large as the state of Massachusetts, be placed into a regional community land trust. A land use plan would designate current village sites, future village sites, sites appropriate for tourist development, locations for industrial development and municipal systems (such as sewer and recycling centers), conservation areas, and common lands. The Buryats are traditionally a nomadic people who grazed their sheep herds on the steppes adjacent to the Lake and foraged for berries in the woods surrounding the villages. They have an historic pattern of using lands in common.

Once established, the Olkhon Community Land Trust would give families long-term leases of the land for existing uses. The leases would secure private ownership of the buildings on the land and facilitate a means for private investment in businesses.

Bessmertnykh's first response was to say that land and buildings could not be separated. But I pointed to Israel where ninety-five percent of the land is held by the government or Jewish National Fund, to England where land leases are common, to Hawaii, and to Baltimore, Maryland, just for example. I explained that the Schumacher Society's office and Library building is itself on community land trust land, one of twenty-four buildings on three separate parcels. Local banks are willing to mortgage buildings on leased land with proper documentation. The E.F. Schumacher Society translated these documents into Russian for application at Lake Baikal.

The former Russian Foreign Minister commented that his head was spinning with new possibilities for rebuilding the Russian economy on a decentralized basis. He wanted us to send him all of the documentation that we had available.

At the press conference following the luncheon, Bykov announced that through his work with the Nuclear Disarmament Forum, Russia had converted 50 kilograms of weapons grade plutonium (equivalent to 100 Hiroshima bombs) into the fuel for a new type of nuclear-powered electric generators. Once so employed, the plutonium could never again be used in the production of weapons. So though not eliminating the plutonium, the process took it out of harm's way as a weapon of mass destruction, a step toward reducing nuclear weapons proliferation.

We then all proceeded to the Peace Concert and Awards Ceremony. Mikhail Gorbachev, the consummate statesman, spoke of the imperative of working for world peace at the same time as we work for social justice, economic equity, and a healthy environment. His position with the Green Cross has made him an eloquent international spokesperson for these issues. The awards were then presented to the seven recipients. In addition to the cash prize, each recipient received an original icon of St. Nicholas, the saint who negotiated peace between the warring factions of the Christian Church during the third century.

Nicholas is the beloved saint of Andrey Bykov. Bykov did not shy away from honoring his own religious traditions even as he honored an ecumenical gathering of world religious leaders. I came to understand that it was in that very willingness to display the full complex of influences on his life that made this event in Zug so unique and so effective. He is a businessman, a religious man, comfortable in diplomatic circles, a lover of great music and fine food, an intellectual, and concerned about the future of the world. It was all of these things together that led him to be moved by the example of Yehudi Menuhin and which inspired his bold and generous work with Demiurgus Peace International. Those in attendance that Saturday in October in Zug will long remember and reflect on the events of that evening. Can they, in their own way, rise to such a gesture for the good of the earth, our common home?

I have my own cherished memory from that evening. As I was waiting at the front of the auditorium to help Desmond Tutu off stage and to find him transportation back to his hotel, Mikhail Gorbachev strode across the auditorium towards me. To my surprise he gave me a big bear hug, a kiss on both cheeks, then took by hands in his and wished me, "Good luck for your work." Though Gorbachev is not an English speaker, Alexander Bessmertnykh had shared the content of our luncheon discussion. Gorbachev recognized the vitality of Schumacher's ideas to renew economies and rebuild communities while still maintaining

cultural integrity of place. His good wishes were a recognition and affirmation of my commitment to this work.

My deep thanks to all of those who have supported the E.F. Schumacher Society these past twenty-two years. Much has been accomplished. It is only a beginning. There is much work ahead for all people of good will.

Peace on Earth,
Susan Witt
Christmas Eve 2002

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See Also:

- rat haus reality's section on community currencies
- by Elisabet Sahtouris:
 - Living Systems, the Internet and the Human Future, 5/13/00
 - Issues of Human Evolution into Global Community, January 2002
 - Skills for the Age of Sustainability: An Unprecedented Time of Opportunity, May 2002
 - *EarthDance: Living Systems in Evolution*, 1999
- Book Review of David Korten's *The Post-Corporate World: Life After Capitalism*
- *Unequal Protection: The Rise of Corporate Dominance and the Theft of Human Rights*, by Thom Hartmann, 12/02