

## "CONNECTING FOR CHANGE "

November 3rd, 2005

Dear Friends of the E. F. Schumacher Society

The Marion Institute ([www.marioninstitute.org](http://www.marioninstitute.org)) convened the First Annual Bioneers by the Bay: Connecting for Change in Dartmouth, Massachusetts the weekend of October 14-16, 2005. The conference brought together people from around the Northeast concerned with the future of the earth and its inhabitants and was held in collaboration with similar gatherings in other regions inspired by the original Bioneers ([www.bioneers.org](http://www.bioneers.org)) program now in its fifteenth year.

A shortened version of Susan Witt's plenary talk at Bioneers by the Bay follows for your information.

Connecting for Change

Susan Witt

October 15, 2005

Like you I have watched and read reports of the catastrophic humanitarian, community, and ecological events that have occurred over the last weeks and months and year in earthquake, hurricane, tsunami, floods, and fire. Like you I have grieved. Like you I have ached to help and comfort. Like you I have been staggered by the enormity of the problem. How can we remotely understand the crushing human suffering and loss, how can we comprehend the scope of community devastation, how can we envision such sweeping changes to entire landscapes—landscapes which were the ground of neighborhoods and villages, of collective memories and common dreams.

Yet from underneath this enormous weight, I hear a new spirited voice as people, who appear to have just lost everything, talk of rebuilding their communities. There is a ring to their voices—of tenacity, cooperation, belief in community, action informed by knowledge of place, trust in their capacity to achieve a goal together. It is not a government led initiative. In fact, it seems to occur around and outside of government aid, a local citizens' movement, somewhat raggle taggle and disorganized, with unexpected leadership and alliances—unprofessional some might call it, but filled with exuberance and surprising generosity and common courtesies. It is a citizen train, chugging ahead, solving problems, building the bridge just in front of it with materials at hand, a bridge sturdy enough to carry all the members of their diverse community along. Perhaps not the most sleek looking or the most efficiently planned. But it is certainly where you find the most positive energy and where you want to be at work, shoulder to shoulder with neighbor, feeling a pride and joy that is infectious.

This emerging spirit gives me hope, for it is this same spirit that is needed to rebuild our local economies—temporarily dwarfed by the sleek, monotone, faceless products of the global economy. There is no one formula for this rebuilding. It will vary as our communities vary and landscapes vary and local cultures vary. But there are some common principles behind the building of local "economies of permanence"—to use Fritz Schumacher's phrase.

The given elements of any economic system are land, labor, and capital. Land and other natural resources that are the basis of all production; labor that transforms the raw materials into products; and capital that organizes the labor and facilitates distribution of the goods.

Imagine if we were to start from scratch in building a sustainable economic system—not just tweaking the current system with a few affordable homes or one farm saved out of the fifty in town which once were productive. Imagine us thinking boldly as those are thinking boldly who rebuild their communities following a natural disaster.

What would be the role of land in our new local economies—land that we all need to build our homes, maintain a healthy environment, and make those products needed by others in a common society.

Aldo Leopold, the great American conservationist, warned against treating land as private property. He argued that "land should be a community to which we belong, not a commodity that is bought and sold." The commodification of land and other natural resources means that those who control ownership can benefit unfairly by the need of all for land. Land prices increase simply from this common need, not from any work on the part of the owner. The nineteenth century political scientist, Henry George, called this speculative gain, an unearned increment, and noted that it distorts the economic system, placing value where no real value has been created and transferring wealth unfairly.

But how do we go about decommodifying land in our bold plans for new sustainable economies? Robert Swann, the founding President of the E. F. Schumacher Society, was inspired by Henry George and his intellectual descendents, Leo Tolstoy and the Gandhian Vinoba Bhave, to develop a new land tenure system for North America, which he called Community Land Trusts. A Community Land Trust is a regional non-profit corporation with open membership and a democratically elected board of directors. It acquires land by gift or purchase, develops a land-use plan according to local need, and then leases out the sites. Individuals own the buildings on the land but not the land itself. At resale the buildings must be offered back to the land trust at no more than the replacement value of improvements, adjusted for deterioration. The owner is able to carry away the fruits of labor applied to natural resources, but not the land value itself, which is held for the community. When fully applied, when a significant amount of land in a region is held by a community land trust, the economic role of land is transformed.

There are over one hundred and fifty community land trusts in the United States. They serve as one of the major providers of permanently affordable home ownership

opportunities throughout the US. But they have yet to meet their potential as vehicles for land reform. It will take voluntary participation by citizens committed to bold change to bring about such reform. Do we have the courage, do we experience the urgency, to reconsider our own private land ownership or to call upon others to reconsider theirs? Are we willing to turn speculative gain on land to the regional community as a whole? How committed are we to a new vision?

And what about money. What is the role of money in our new and vital local economies? Money is simply a tool for issuing credit and tracking exchanges in a community. But by giving up control of monetary issue to a centralized coalition of for-profit banks and national governments, we are engaging in a system that favors the largest borrowers. The consequence is an increasingly centralized manufacturing and distribution system that efficiently hides the ecological and social consequences of making the goods we use in our daily lives. In addition, a monopoly-issued global currency means that the fees generated in the process of issuing and use flow to a few corporations and individuals, further creating discrepancies in wealth.

We are willing participants in a system that encourages practices we abhor. How can we democratize money issue and again make it a tool to support thriving local economies where consumer and producer are known and accountable to each other and to the local ecological system that renews them both.

The extraordinary regional planner, Jane Jacobs, in her classic book "Cities and the Wealth of Nations," referred to local currencies as an elegant tool for regulating regional economies. The E. F. Schumacher Society has been working for over twenty-five years in its own region to build the basis of a year-round local currency system with the merchant and banking community. Now in our final months of fundraising for first-year issue of BerkShares, my colleague Chris Lindstrom and I expect to begin reconvening meetings with the merchant and banking community in 2006.

BerkShares is only one in a growing movement of local currency initiatives brought together at the Schumacher Society's 2004 conference "Local Currencies: Understanding Money, Building Local Economies, Renewing Community." Since then research and discussion on how best to renew this community based economic tool has grown in small working groups, in on-line dialogues, and in innovative practice around the world.

And what of labor? How do we again dignify the role of labor in an economic system—how do we move from commodifying labor through hourly wages to ensuring that workers retain ownership in the means of production?

Let us again try to imagine our new local economies, where the goods consumed in the region are produced in the region in an ecologically, socially, and culturally appropriate way. To achieve this vision, we would want to make sure that we placed our innovative skills in the creation of new regional products—new appropriately scaled technologies for on-site energy production, efficient and healthy homes, safe and efficient transportation, extension of growing methods for local foods, responsibly produced

clothing. When extra spending power is in the hands of a few, then the innovation goes to luxury goods. To create innovation in basic goods, then the wealth must be distributed widely. When workers have access to land to create their import-replacement businesses and access to affordable local capital for financing, they then have more opportunity of being owners of the means of production rather than wage hour employees. This participation in ownership of the means of production means a fairer distribution of wealth. It is our responsibility as conscious consumers to seek the opportunity to support these worker-owned businesses.

In summary, the task of building sustainable local economies is urgent, not only in this country but around the world in village after village. Our humanity is at stake, our landscapes are at stake, our varied and rich cultures are at stake. It will take citizens working together, employing new locally based economic tools to solve the problems of that rebuilding. The work will bring us together in new alliances, with unexpected courtesies. It will look ragged to some; the blueprints are not entirely clear and will of necessity vary from region to region. But at work together we will feel the excitement of engagement, and we will know that strange and wonderful alchemy at play when our full capacities as human beings are engaged in a process that links people, land, and community.

Thank you

Susan Witt is Executive Director of the E. F. Schumacher Society, 140 Jug End Road, Great Barrington, Massachusetts 01230 USA, (413) 528-1737, [www.smallisbeautiful.org](http://www.smallisbeautiful.org). An expanded version of this talk was given on October 15, 2005 at the first annual "Bioneers by the Bay: Connecting for Change," hosted by the Marion Institute ([www.marioninstitute.org](http://www.marioninstitute.org)).