

SESI Report for WSA Meeting, June 2013

Recommendations as to whether SESI should be established as an Affiliate of WSA.

Rashad Pollard, SESI Coordinator, June 4, 2013.

1. SESI formed a working panel to provide inputs for a study on the advisability of establishing SESI as an Affiliate of WSA. In the end 10 members joined the team.
2. As of this date seven members have responded positively to the proposition to form an SESI Affiliate; two have responded that they will try to reply before the meeting in Poio, and one has not responded at all.
3. Only one response was a detailed, written proposal, that from Hadrian Fraval, and that is attached for reference.
4. The original brief given to the correspondents is also attached.
5. In addition, Maya suggested that the process would be carried forward through a Resolution presented to a Zonal Representative of WSC from a National Committee to establish a new Affiliate, presumably also subject to approval of its proposed Articles and Bylaws, at the next World Congress; that such a proposed Resolution should be presented no later than one year before Congress.
6. SESI is aware that at least one National Committee is considering making such a proposal shortly.
7. With the above in mind SESI has begun the process of drafting up proposed Articles and Bylaws taking guidance from Bapak's advice and agreements reached at the 1975 World Congress in Germany, from existing Affiliate documents and holding discussions with national SES bodies to understand the most effective relationship that is to be established between SESI and SES National bodies.
8. It is suggested that the WSC meeting in June review these actions and propose any further steps that may need to be taken.



Rashad Pollard

For SESI Board.

Archive copy: e-mail from Hadrian Fraval to Rashad and SESI -- April 29, 2013

Dear Rashad and All

Comments on Rashad's Document

Over the years there have been various proposals from World Congresses (detailed in Rashad's summary) as to the form and scope of SES/SESI/Enterprise support. They appear to fall into three categories:

- A) SESI under the WSA Executive
- B) Panel of experts – implying a separate independent entity (Company)
- C) A World Bank

These three aspects are a package of functions which are inter-dependent. Take away one of the elements and the resultant effectiveness is dramatically reduced. To simply change the status of (A) from being under the executive, to being independent is in my opinion missing the point. There has to be a connection within the Subud organisation between the Country members of WSA and the International organisation (represented by WSC). Let's leave this alone and focus on (B) and (C).

The reason that (A) can never be, and has never been able to stimulate an enterprise surge in activity is that it has not got the wherewithal. The WSC budget constraints are such that SESI has been left to fend for itself. Establishing an Independent company, separate from, but with links to SESI would provide a conduit for funding. The Company would have a panel of experts and would facilitate evaluation and advice to projects arising from the Membership of Subud. This new company would have a direct link to a (Subud) Bank which would use this company as an adviser regarding investment. The name "Subud" would not be used in either (B) or (C). They would operate on commercial terms, charging for their services and making a commitment to provide 25% of their net profit to "Subud". Likewise, new endeavours which were funded by (B) or (C) would be required to commit 25% of their profit to "Subud".

In making the above suggestion I am not focusing on how we fund this implementation, but rather defining a direction which fits the guidance given to us in so many of Bapak's talks. I have experienced in my 30 years of being involved with "enterprise" that the key element is defining a direction; where we feel / want to go to achieve our objectives. What I have described above is only an outline of a direction going forward. Scraping SESI as it is today will not realise the holistic needs of Subud Enterprise development.

Above all else, we can only progress if self- interest is secondary.

All the Best

A Background Paper To Support Recommendation to WSC concerning the status of Subud Enterprise Services International (SESI)

4.15.13 -- Not for publication.

1. Present Status

SESI operates under the WSA Executive Board. At the 2012 WSC meeting it was suggested that a team be formed to review the advisability of SESI remaining in this position or that it should be established as a separate entity and, if so, the obvious next question would be to consider its form of establishment and its relationship to the WSA.

2. Some notes on past history of enterprise support services

Coombe Springs, UK Congress -- 1959: The concept of establishing enterprises through Subud Committees encouraging members with business skills to collaborate together and establish enterprises as a means to raise funds for Subud and its social work established. Agreement reached to start an investment fund to support that effort.

New York Congress -- 1963: Subud International Services (SIS) established to form a Subud "chamber of commerce" and strengthen linkages between the enterprises to be established.

Tokyo Congress -- 1967: Subud Technical Services (STS) set up to organize co-operation of those members with technical skills and to provide technical oversight of enterprise developments. SBIF established to administer funds (including funds from enterprises) on a professional basis and Bapak suggested that it may form the nucleus of a Subud World Bank in future.

Cilandak Congress -- 1971: Agreement reached to establish a bank to finance enterprises -- eventually Bank Susila Bakti in Jakarta.

Wolfsburg Congress -- 1975: SES/ SESI formed (note: Bapak's proposed form for this entity is attached).

Toronto Congress -- 1979: S.Widjojo project well under way. Emphasis on improving functioning of SES and Enterprise Associations -- international and national.

Anugraha Congress -- 1983: Anugraha Conference Centre under construction. Subud International Trade Association established.

Sydney Congress -- 1989: The first Congress without Bapak. BSB had been sold. Anugraha was in financial difficulty. The Congress felt that SES no longer had a real function and it was taken over by the International Subud Committee.

Congresses to New Zealand -- 2010: Little emphasis was formally placed on enterprise envelopments between 1989 and 2010 at World Congresses. The last Congress in New Zealand did, however, resolve that a review of Bapak's advice & guidance concerning enterprise should be undertaken, and a new SESI was established with this as its first function.

Brief Notes and Observations: Efforts to create support services of various kinds to the enterprises that Bapak was proposing were often quite substantial but were usually not sustained between Congresses -- a lack of available funding, reliance on volunteer effort and a lack of "buy-in" by incoming WSAWSC may have been causes. In reality the major enterprises that became established made little or no use of such formal support services suggested by

SIS, STS or SES(I). However this condition hides some very significant efforts by a number of members and groups of members to undertake support services as forums for Subud members with their own enterprises to come together and share experiences. Many useful workshops and mutual get-togethers of entrepreneurs and business owners are reported, notably in the USA, Australia and Europe. Good work was done to create data bases of enterprises and members with business skills notably in Australia and in other countries with SES national bodies. After the Spokane Congress an SES office was established in Kalimantan with a paid staff and undertook substantial workshops and events worldwide, including the establishment of YES QUEST, with SYA, that still exists. Some national SES activities continued after the Bali Congress but SESI itself largely ceased to function as the existing international enterprises failed or were sold.

3. Review of SESI's Present Function

a. SESI based its strategic plans on the results of the review of Bapak's advice and guidance concerning enterprise developments that was published in 2011 and approved at the WSC's annual meetings.

b. The primary strategic concept was to acknowledge that all Subud members were engaged in their own personal enterprises, that is they were putting their talents into practice no matter what work they did; whether self-employed, engaged in an enterprise with other Subud members or working for a for-profit or non-profit organization. In this way, generally speaking, we earn our livelihoods in all the multitude of ways that humanity engages in and, as Subud members, we pray and hope, in ways truly guided by inner direction. From this personal income the members contribute to Subud on a voluntary basis.

c. Bapak proposed that it would not be possible to fund our collective needs in this way -- for good Subud houses; helper travel; care for our members and so on. In addition Bapak proposed that it is imperative that we demonstrate the latihan at work in the world through interface with the world around us through pooling our technical and financial resources to build schools, hospitals, homes for the aged etc. and, in addition, to create substantial enterprises that would fund these efforts. On top of that we should establish a form of World Bank in support. Bapak, himself, initiated the formation of this bank and the first enterprise in the S.Widjojo Center office building in the 1970s as demonstration models.

d. Presently SESI sees itself as a service organization that encourages and supports a rejuvenation of this guidance to create substantive enterprises. Further details on SESI's background and strategic direction can be found in the SESI web site: subudenterprise.com

e. SESI's present work plan includes the following:

1. Support and encourage the establishment of substantive, internationally supported enterprises in Kalimantan. To date three companies are established:

- Karmanna: An "enterprise development company" providing consultancy services, feasibility studies and financial services to enterprise developments in Kalimantan.
- A joint-venture in a saw milling operation.

- A planned oil palm plantation – permits etc and a feasibility study in process.
- Further projects as they mature.

2. Encourage and support Zonal and National enterprise developments through the Subud Area and Zonal structures and National SES bodies.

3. Supports the activities of SES national bodies, also, to bring together technical working groups of members in support of each others' enterprises and in the development of collective enterprises at national and center levels. Both aspects of the work of SES national bodies (in support of small-scale start-ups; larger members' enterprises, as well as the larger-scale, collective enterprises) also supported through SESI's web site, Yahoo list server and e-Newsletters.

4. Is working to integrate WSA initiatives to create better national and international databases of members that includes a listing of members' professional skills and expertise.

5. Supports WSA's Subud Center development initiatives through support to a Centers and Hotels web site development and links between Center enterprise developments and the funding of Subud housing as well as suggestions on Center management, design and construction.

6. Supports the creation of shareholder's representation and supervisory forms of Boards to major Subud enterprises. To date have worked with WSA to establish Sinar Investments Association as a voluntary shareholders representation function in Kalimantan Gold Corporation.

7. In the longer term SESI sees its strategy developing towards an holistic and integrated effort across all our Affiliates and Association to not just bring together business expert interests in for-profit enterprises but to bring together the whole membership to engage in "outer" works beyond just receiving the latihan together -- whether these may be micro-enterprises or micro-social work at the group level or larger projects in all field, whether for-profit or non-profit. In this way the membership will understand that it is of real interest to us not just to engage in the latihan routinely together but to engage in outer works together as well. Through this approach we may better understand the true meaning of harmony through engaging in collective endeavor, and better demonstrate the meaning of the latihan to the outer world around us.

In addition SESI is interested in exploring the rejuvenating a world bank or financial institution to support these efforts, beyond the initiatives taken to create the KARMANNA company in Kalimantan. Various forms of Virtual bank have been suggested. SESI is proposing that it works with MSF to create a working group to consider options and practical approaches to financing enterprises and social work.

f. At this time owing to its "position" within the WSA Executive SESI does not directly invest in any enterprise and tries to keep an "arms length" approach to the services provided to individual enterprises and working groups by the experts it gets to support them. Ruslan Morris, for example, resigned as the Coordinator of SESI owing to the potential for a conflict of interests relating to his investments in the Kalimantan enterprises.

4. Constraints

a. SESI has received some funding from enterprises to support its work but is significantly constrained by a need to employ largely volunteer labor/services. Four Board members and Advisors have resigned through work and other pressure conflicts with their daily lives and replacements are not generally willing to allocate more than a few hours a week to any program. The management of a significant number of short-term volunteers also makes effective consultancy work difficult. SESI continues its efforts to expand its Board and Advisors.

b. Most SES National Representatives (16 at present) are rather weak in business skills and in resources and require significant support from the international level to operate effectively. They operate independently of SESI being appointed by their respective national committees. The number of countries with SES bodies needs to be increased and, as presently structured, this is a matter for the respective national committees to address. Good working relationships have so far been created between SESI and SES in UK, USA, Indonesia and Australia only.

c. SESI has tried to collaborate with the other Affiliates to link enterprise developments with their respective endeavors (notably a Micro-Finance project linked to SDIA-supported NGOs and support more directly to members in the Congo) but both technical and financial constraints have tended to limit the effectiveness of such initiatives to date.

d. There still exists a reluctance to link Subud Committees with businesses and enterprises, and experiences in the past weigh heavily against this area of collaboration. All the same shifts in this attitude are clearly in evidence and a number of Zones and National Committees are rededicating themselves to, at least, explore options and opportunities for harnessing the business skills of its members, beyond simply regarding SES as an independent club of business owners. The lack of adequate funding across our whole Association is one reason for this shift as Committees search for enterprise options to support their funding needs. Practical applications (beyond the Kalimantan enterprises already established) may be slow to materialize however.

5. Some Discussions and Preliminary Suggestions Made to Date

a. The new SESI is still in its formative stage and probably will remain so until, and if/when, the Kalimantan enterprise initiatives (hopefully followed by others elsewhere) begin to provide significant financial support. This could begin to happen as early as mid/end-2013 if present plans mature as expected. It may be best to stay within the WSA framework until such time as such income is solid and consistently available and could support the funding needed for SESI to stand on its own feet (although WSA has provided no funds to SESI to date, in fact).

Pros/ Cons/ Discussion: being within the WSA Executive makes SESI a formal part of the Association's structure . This ensures that a certain level of management is in place to oversee its activities and, notably, to ensure no unforeseen liabilities devolve to our Association as a result of its activities in business development. Potential funding to create a viable entity is still tentative for any significant expansion of direction or effort.

b. SESI will never make substantial contributions to our Association until it is freed from its need to remain at "arms length" to enterprise developments, and is established as a separate entity to WSA and this should be done as soon as possible.

Pros/ Cons/Discussion: A measure of WSA oversight would still be essential if SESI was to form itself into an Affiliate of some sort even if it did not use the word "Subud" in its name, as it would still be liable to the Subud membership for its activities. A model for such an approach was, in effect, established by Bapak at the Fifth World Congress in Wolfsburg in 1975 when SES(I) was formed (see attached for reference). The downside is that there are, presently, no obvious sources of funding to establish a sufficiently viable international entity that could have real impact. It may make sense to build that capacity out of the present Kalimantan developments and the opportunity for some sustainable financing so that SESI could build a more viable and workable entity over time. However a firm commitment by WSC (or WSA at next World Congress) should be established to give the approach focus. A further suggestion is to rediscover the need for a World Bank (or financial institution) as not a few members are suggesting to SESI and for which they have produced a paper (also attached) and SESI would be best linked to that entity. Bapak actually discussed this issue in Wolfsburg as attached. Again, to work, such a strategy should be fully endorsed by WSC/WSA.

**EXTRACT: Bapak's Talk, World Congress, Wolfsburg, Germany
June 21, 1975**

Code Number : 75 WOB 15

Copyright © 2007 the World Subud Association. All rights reserved.

Brothers and sisters, it seems necessary for Bapak to tell you about the plans and ideas we have for establishing an S.E.S. (Subud Enterprises Service) body. It is this that will serve all the national enterprises. This is indeed what Bapak intended before, but previously Bapak wanted to do it through the Bank, which is now called Bank Susila Bakti. It appears that the time is not yet ripe for doing it through the Bank, for it has not yet proved possible to get permission to set up an international bank in Indonesia. For this reason it is still established just as a national bank, and is only able to deal with local demands. So it must be made clear that it is not the intention to profit Indonesia alone, but this is the situation we are faced with, and we cannot as yet establish a bank able to include the whole world and to finance Subud members and Subud enterprises all over the world when they require capital. Because it is still difficult to do this, there is therefore this idea for setting up the S.E.S. body, which will not really be like a bank, but which will also help and foster the enterprises which will be established by members belonging to the various national centers.

This body will provide everything for the enterprises. That means it will provide capital and everything that is required, so that when it gives assistance to an enterprise in some national center it will supply all the requirements and personnel needed.

Thus besides providing money for the capital it will also select and appoint the personnel. These will be found and trained and directed by the S.E.S. body that is going to be established: S.E.S. International. This undertaking should acquire legal status and authorization from whatever country it may be in, so that it will be a body able to spread its wings all over the world. For this reason, brothers and sisters, it will be established in major cities, where it will really have influence and a wide scope when it comes to setting up an enterprise. Bapak feels that the main center for it should be in England. Yes, and then later on other places can be chosen and it can move to other places when it becomes more successful. These are the plans which Bapak hopes will, with God's blessing, be successfully accomplished.

Bapak also hopes that, besides listening to Bapak's explanations, you will all take part in the struggle. Now is the time for struggle and effort. We must not just be passive. We have to strive, strive towards the aim of worshipping the One Almighty God and of serving humanity in this world. For at present in this world we are always surrounded by unpleasant events which suddenly overtake us, so that help is needed from some organization or some country. It is this, among other things, that we hope that Subud may be able to carry out. In this way the name of Subud will be the name of a brotherhood that is not only able to receive grace and ilham (divine knowledge) from God, but one that is really able to help its fellow creatures.

It will really be able to make a contribution to the community in this world. Brothers and sisters, there are many countries that are really rich in natural resources. Their soil is rich, but they are poor in trained manpower and in money or capital, so that their natural riches remained undeveloped. That is why Subud is now making a start with this. May the Subud members, with guidance from the One Almighty God, be able to find the way.

Of course, we need not a little capital, perhaps tens of millions of dollars, perhaps hundreds of millions. May the One Almighty God show the way to realize the plans and ideas of Subud, so that we can obtain something beyond expectation, wherever it may come from, and really establish something which will be the main body to foster the enterprises of the various Subud centers, and so that there can really be an S.E.S. which is international, strong and successful. That is all, brothers and sisters.

A Subud World Bank

Draft for Subud Voice as requested.

Rashad Pollard (SESI Coordinator)

The most memorable thing that comes to my mind concerning our Subud world bank was something that Raymond Lee had reported. It seems that not long before Bapak passed away he had said that one thing he most regretted was that we were unable to sustain the operations of our world bank.

What then was this world bank?

The first personal reference I have for it was at the Third World Congress in Tokyo in 1967 when it was agreed to establish the Subud Brotherhood International Foundation (SBIF). The purpose mentioned for SBIF was to administer Subud funds on a professional basis and that Bapak had said that it could form a nucleus for a Subud World Bank.

Four years later, at the World Congress in Cilindak Bapak moved this idea to fruition through getting us all to line up and pledge funds to start this World Bank. Ultimately about \$1.4 million was raised. At the last talk given at the Congress Bapak stated: *"So our aim and purpose is to establish enterprises and a bank. For if we merely wait for contributions and donations from members, maybe there will be only ten rupiahs in the treasury ten years from now. Only that little. But it will be otherwise with enterprises. Perhaps contributions will be eliminated eventually, will not be needed, because the Subud treasury will have become strong as a result of running the enterprises and the bank. Who knows, brothers and sisters, if the Subud Bank will not eventually become like those in New York, a Wall Street Bank - but a Subud Wall Street Bank, a Wall Street Bank Kedjiwaan!"* **Library reference 71 TJD 18.**

The original team that worked to set up the bank expected to locate it in Germany but this proved difficult to accomplish owing to cost factors and regulations in that country so, eventually, it was agreed to establish it in Indonesia through purchasing the license of an existing bank there. In this way Bank Susila Bakti (BSB) was born.

BSB certainly assisted many enterprises in Indonesia -- even including a hand weaving enterprise that my wife and I started -- but its most important contribution was to help launch the second major enterprise that Bapak initiated -- the S.Widjojo Centre office building in Jakarta. BSB pre-purchased the mezzanine floor of the building and it was these funds that allowed S.Widjojo to acquire the land so that construction could start. BSB also provided short-term loans to support the development of the project. One wonderful day - certainly for me as the Marketing Manager of S.Widjojo -- was the day in 1977 when the bank moved into its space even though the building was still being constructed around them! It was from that day onwards that tenants became confident about our ability to complete the building and began to sign leases themselves! Bapak's interesting talk at the "selamatan" that day is at **77 JKT 1.**

The S.Widjojo Centre was eventually completed at the end of 1980 and the company started sending over \$800,000 back to its Subud investors every year of which \$200,000 was contributed to Subud (WSA and SBIF). In this way Bapak's hopes for establishing a world bank and enterprises had certainly been accomplished as a model for us to follow.

BSB did suffer from some constraints, however. It could not, legally, allow its non-Indonesian Executive Directors to act as such and so management conflicts developed between these two groups of "de facto" Directors that had been established, and it was not easy for the bank to support enterprises outside of Indonesia. These issues came to a head at an Extraordinary General Meeting of the bank held in 1984

when the shareholders voted to expand the Board of BSB to help strengthen the bank's future development. I supported this motion as did Bapak – his comments are at **84 JKT 5**. But this step was never taken, and was overtaken by other events at S.Widjojo.

S.Widjojo had committed itself to build a major hotel project in Jakarta and had borrowed about \$8 million to purchase the land for it. However this project was never realized and S.Widjojo became unable to service this loan. Efforts to sell the land resulted in an offer to purchase not only the hotel land but also our bank. My own understanding is that it was felt by the Board members of our bank and S.Widjojo that it would make sense to keep the S.Widjojo building, rather than liquidate it and keep the bank! So it was agreed and the funds obtained from these sales allowed S.Widjojo to repay the loan it had and remain in business. The shareholders of BSB received the funds from that sale.

In this way, in 1986, our world bank was sold and this became a first step in a range of events that eventually led to the demise of all our major enterprises, including S.Widjojo, excepting the mining exploration work in Kalimantan that still proceeded.

Not a few members have tried to rekindle the concept of our experts coming together to launch new, major enterprises supported by a new world bank or financial institution. But since Bapak's passing our Association has preferred to put such activities on hold and our World Congresses barely touched on the subject that had become such a core emphasis on all our Congresses while Bapak was with us.

At the New Zealand World Congress the first steps were taken to explore the prospects for starting again. SESI was resurrected and tasked with this mandate. SESI, itself, cannot start a new world bank or world financial institution or even an enterprise. Our task is to motivate our experts to undertake these tasks and to provide whatever support we can to help this happen. A new world bank or financial institution can only be initiated by a dedicated team of banking and financial experts. We can help to bring that team together however and so we can proceed if a truly competent group can be formed to explore this option and raise the initial funding needed to produce a comprehensive feasibility study. If there is real interest in this please let me know -- pollardrr@aol.com

January 2013