

Community Currency Systems in Bia Kud Chum Thailand

Remarks by:

Pornpita Kiangphukiew
Field Coordinator, Thai Community Currency Systems Project

Today, I want to share with you the background of how Bia kud Chum started and what kind of activities we have undertaken.

Bia kud Chum could be traced back as early as 1980 about 20 years ago. We started realizing that the traders were making more money while members were becoming poorer. So we started establishing a cooperative shop, promoting self-reliance. We looked at some merchandise goods. In 1981 we embarked on another project to set up a medicine fund and a health fund that will provide health services in the area with assistance from the local district hospital. This health fund helped us provide access to western medicine but we still had to purchase medicine from outside. We spent about 30,000 baht just for the medicine, considered a huge expense in those days. Another problem was that some villagers were allergic to western medicine.

Reflecting on the problems of the huge expenses to purchase these western medicine and of the allergy caused by these medicine, we came to a conclusion that we would set up a traditional medicine club for the village knowing fully that locals had the wisdom to use herbs and traditional medicine. The club promoted the use of herbal and traditional medicine, including massage. We organized activities to try to get the people to help themselves secure medicinal assistance. They went up to the mountains in order to find herbs for remedial purposes. For the first year, the villagers spent less for the purchase of medicine, from 30,000 baht to 10,000 Baht. Through a learning process, they realized the advantage of preventing the illness, instead of waiting for the disease to worsen and spend more money on the purchase of medicine. They tried to find ways of preventing a disease and of consuming healthy foods.

Ten years ago, Masano Pokoka, a Japanese national farmer, a pioneer in national farming came to visit Thailand, particularly our village. National farming refers to organic fanning which does not use fertilizer or chemicals to till the land. Inspired by Mr. Pokoka the villagers embarked on this national farming which became more acceptable in Thailand. In tilling the land they didn't apply chemicals but used fertilizer. Pokka on the other hand didn't even use fertilizer. The villagers started using integrated fanning, a kind of farming that enabled farmers to grow different foods in lands where they grew rice without using toxic chemicals. Some farmers used chemical fertilizer that were non toxic. They called their produce non toxic rice and started informing consumers in Bangkok and elsewhere to buy this non-toxic rice.

The rice milling is a tedious process of taking the shells of rice from the paddy rice. Traditionally you have to bring your paddy to the rice mills, many of which are in large quantity. Some millers tricked the farmers in measuring the volume of rice milled. This practice some way pushed the farmers to put up their own rice mill. Later, they built their own rice mill and embarked on other efforts to try to reduce or stop the use of chemicals for all kinds of foods. We further found out that relying on selling rice was unstable so they diversified their livelihood and formed this self-reliance group. The idea was to diversify the income generating activities. The six main objectives of this self-reliance groups were:

1. To achieve economic sufficiency that enable them to produce enough for their consumption and depend less on the outside.
2. To protect the environment so that activities are not detrimental to nature.
3. To ensure health of the people. Instead of running to the doctor all the time they find ways to prevent illnesses by exercising and consuming healthy food.
4. To educate the young generation to love and understand their community and understand their wisdom.
5. To be more aware of community rights
6. To revive the traditional culture.

In reviving traditional culture we had in mind looking at traditional ways of earnings livelihood Two things come to mind:

1. Barter system which has been traditionally practiced.
2. Collective farming. In the olden days neighbors will come and help in one plot of land and they bought it with another plot without charging anything. So they tried to revive this collective farming. Later on they found this simple bartering system was not convenient enough because what the others have before hand, the way of battering was not that smooth. The task to revive the bartering system came at the same time with the arrival of the Community Currency System, the Thai CCS . We felt that CCS project would be appropriate and would enable us to achieve our goals. The villagers heard about CCS in Sept. 1998 and in early 1999, the project proponents come to conduct training workshops.

The self sufficiency group was formed in late 1997. During that time they held seminars to evaluate community development efforts. One of the most prominent findings was that even though they had many projects to help address health issues, property issues and so on, the main problem of indebtedness persisted. It became worst as the solution to address this problem was the emphasis on the bartering system. About 14 villagers participated in the seminar and suggested more concrete action. They formed a team and proposed to experiment on community currency system focused on five target villages whose members mostly belong from the self sufficiency group. The seminar for the reflection was held in 1999. Kud Chun has a long history of involvement by NGO's, many of whom helped the villages. There was also involvement of governmental officials in some projects. In our latest seminar the community analyzed the outflow and inflow of resources and how to plug the holes. Role playing was also used as one the techniques to make the villagers understand.

We also organized the informal discussions with many groups in the villages, sharing information about this community currency system, until the villages felt confident that they could handle it. Finally they started it and put up a working committee to carry out the task of implementing this community currency system. Unfortunately most of the members were women and they decided to set up rules by which members have to abide. For example members could borrow at most 500 bia a year and they have to return it by year end. This bia is not convertible to Bath and there is no interest incurred in the use of bia's.

The working committee assignments can be categorized into four areas:

1. Bia Bank- managers deal with the withdrawal and receipt of bia returned.
2. The promotion of the use of Bia and the promotion of diversification of production
3. Public relations activities
4. Monitoring, evaluating and suggesting improvements.

We started to announce to the people to apply for membership and they launched it on the 29th April 2000 after Bia has been used for fourteen days. The CCS and Bia became headline story nationwide in one of the popular tabloids in Thailand. The newspaper reported that a group of villagers separated on their own and used Bia currency in five districts instead of five villages. The tabloid liked to destroy by changing or adding words. The story became a big public controversy and led to serious investigation by the officials who were more interested in what media reported and its impact on their activities. After that there were serious intimidation. Truck load of army men came in and the villagers were very scared. The army men pretended to show interest on how to use the national fertilizer and many intelligence officers also came in. When the villagers had their meetings, these officers had someone to stand nearby and try to listen to the discussions. Even the head of the sub-district who had nothing to do with the activities attended the meeting organized by the villagers because of the news report.

The committee members engaged in co-op group activities have been together for many years and have been active since 1973. In the 1970's communist insurgency was a problem in Thailand. The area was consider a pink area, and people in the district were considered radical and non-conventional. The grouping has been quite strong in the beginning. First they formed cooperative shops to minimize the role of the middle men. They had their health fund for health services, and set-up their rice mills. As an umbrella organization, we were also a nature conservation club. Working together for many years, the members initiated the seminar fund with the help of some NGOs and governmental officials.

The officers were free to walk in and around the villages, even directly intimidating and threatening some villagers to give the Bia. The Bia became a memorabilia that people tried to collect. Even teachers asked some of the students living in the village to collect bia. Some villagers sold the Bia to some banks. An officer from the Bank of Thailand and media men went to the village for two months inter-viewing them five to six time a day and this got in the way of the villager's daily chores. Some of the leaders were brought to the police station for questioning. The villagers were very scared. They thought that their leaders would face arrest and that they would suffer the same fate.

The rumors spread around causing divisiveness among the villagers. Some thought that they were cheated by their leaders and were so scared. There were rumors that leaders had been arrested and were due to be executed. The monks who were involved in the CCS project were disturbed. They had to stop the use of Bia and later re-opened on the 28th September 2000, allowing people to withdraw Bia. We then started to count how many Bias had been circulating. In September 2000 there were about 43 people who withdrew the Bia and there was about 5300 Bia circulated in the village. In fact after the intimidation and the re-opening of the Bia some members quit and new members joined. Of the 120 members, 43 members withdrew their Bia.

I would liked to end my speech by stressing the three objectives of use of Bia, number one, it is used for an economic purpose. Bia can be used in combination with Baht and by using Bia the villagers can save the Baht, the national Thai currency, to service their debt. Number two, the use of Bia helps to reduce the outflow of resources. Number three the use of Bia helps promote the diversification of the income generating activities that we believe will bring about wealth for the community. The use of Bia provides social benefits by strengthening community relationships, and enhancing the feeling of trust or usual trust among villagers. For example, they disallow anyone who has no backing to withdraw the Bia. This also helps to create a kind of reciprocity. The use of Bia helps environmental conservation. For example Bia cannot be used to buy chemical fertilizer, only natural fertilizer. Some villagers are happy because the use of Bia helps combat drug abuse because you cannot use Bia to buy drugs. These are some objectives set

by the villagers. It's a trial and error initiative but the villagers believe they may be able to achieve the goals.