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For more information on Bia
Kud Chum & other
Community Currency
Systems:

www.ccdev.lets.net
<http://ccdev.lets.net/asia/asia.html> (for photographs)
www.strohalm.nl

International Journal of Com-
munity Currency Research:
www.geog.le.ac.uk/ijccr

SENEGAL & THAILAND COMMUNITY CURRENCY SYSTEMS

'Community Currency' (also known as complementary currency, social money, and even 'Eco-money') is an approach similar to that of Local Exchange Trading Schemes (LETS) [38], the main difference being that, in this case, a local currency is actually printed in notes which are exchanged by members of the community in exchange for goods or services. The community currency exists in parallel with the mainstream currency. However, since community currency does not earn interest, and can only be used in the community in which it originates, there is an incentive to invest it in activities that yield income over the long run, as well as benefits to the community. Initiatives to create community currencies, supported by NGOs, are becoming popular worldwide.



Jeff Powell/Thai TCCS

In the Grand-Yoff district of Senegal's capital, Dakar, an initiative is underway to introduce a local currency. This project, supported by the West-African NGOs, Groupe Recherche Action Formation (GRAF) and ENDA Tiers-Monde, is implemented through an existing network of credit unions. After several workshops promoting the concept, the first community exchange group was formed in 1998. The group, called Doole (meaning 'force' in the main local language) began by organising monthly markets through which to introduce the currency newly printed currency notes, called 'bons de travail', which are denominated in hours. One hour is equal to 1000 francs CFA (about US\$1.50). People can pay 500 CFA to join the system, and in return receive 'bons' with a value of 5 hours. However, people do not have to be members to participate as anyone can use 'bons', and there is no administrative involvement in recording transactions.

The currency is not yet a large scale substitute for national currency in the area. Instead it is being used mainly as payment for education as, after publishing a bulletin of offers and requests, it was discovered that the demand for education and training was very high. Five priority areas were identified: computer literacy, language skills, commercial skills, agriculture skills and local production skills. In response, the Doole group is planning to open a Popular University. The plan is to seek trainers from the local community to begin teaching groups of students. Every student pays one 'bon' for an hour of training, which will go towards paying the trainer, and to finance administration, promotion, and local projects such as planting trees, building a community centre. As the credit unions that are participating in this project are mostly run by and for women, the Coordination Group of Doole is primarily composed of women. This group makes the key

decisions, such as when and where to hold markets and how much currency to issue. The members are currently self-chosen volunteers, but as the project grows, regulation will be introduced to ensure democratic representation and function. The programme is now beginning to expand to other parts of Dakar. The intention is to expand to 30 districts in Senegal before seeking to expand into the

neighbouring countries of Guinea, Mali, Mauritania and the Cote d'Ivoire.

The Kud Chum district in North-eastern Thailand is another example of the use of Community Currency. In this area, communities are becoming more and more dependent on externally set prices for rice, their main production crop. These prices are determined by outside factors and does not relate in any way to local conditions and realities, meaning that villagers have entered a vicious cycle of debt.

In 1998, representatives from Kud Chum attended a seminar on community currency systems and self-reliance, as part of the Thai Community Currency Systems (TCCS) project, supported by the Japan

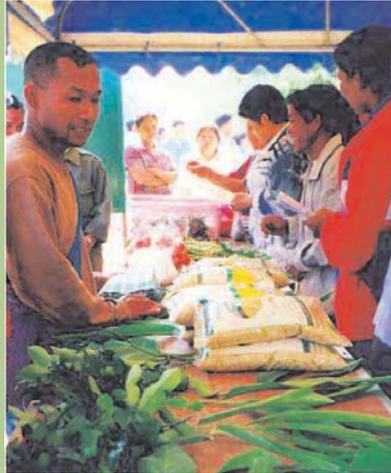
Foundation, the Canadian Volunteers (CUSO) and the Voluntary Service Overseas (VSO). This was the first step in the creation of a local exchange system that would become known as Bia Kud Chum. The objectives of the system were to increase self-reliance in the community and to lower dependence on external markets; to reduce the outflow of money and resources from the community; and to set up activities that increase diversity and sustainability and revitalize indigenous knowledge.

As villagers in Kud Chum are not familiar with accounting practices, a notes system was seen as more user friendly and easier to understand. The name chosen for the new community currency was 'Bia', which in the North-eastern (Isan) language means 'seedling'. The community started to use the *Bia* for the first time in March 2000.

The initiative attracted much attention from the mass media, however and as a result, officials from district and provincial govern-

ment offices, police, military, internal security, the Prime Minister's Office and the Central Bank of Thailand were among those to visit the community to investigate the bia system. Some feared the use of bia might violate the law or could be a danger to national security. Some even suggested it might be seen as a strategy to create an independent state. Under the direction of the Bank of Thailand, the use of the bia was suspended at the end of April, after only one month in circulation, at which point there were only 120 bia members.

As a result, the Bia Kud Chum working committee decided to change the name of the system from 'Bia Bank' to the 'Community Self-Reliance Development Group'. They also solicited the help of the Law Society of Thailand to support them in submitting a request to the Minister of Finance to review their case. After a lull of 5 months, the villagers of Kud Chum resumed their activities in October 2000, on a limited scale. Recently, the TCCS Project held a meeting on community currency in which academics, NGOs, the Bank of Thailand, the Ministry of Finance, and the villagers from Kud Chum participated, and there is a strong possibility now that Bia Kud Chum will be developed into a research project.



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