

Finance Ministry lauds community efforts to end informal debt



Mr. Apisak Tantivorawong, Minister of Finance, together with Mr. Wisudhi Srisuphan, Deputy Minister of Finance, and executives from the Ministry, recently paid a visit to witness the progress being made in solving the problem of informal debt by community finance organizations at the Kanthararom Market Savings Group, Kanthararom District, Sisaket Province, which is a prototype community finance organization of the Government Savings Bank (GSB). The savings group offers financial management and solutions to solve the problem of informal debt that have proved successful and effective. In the past, traders at Samakkee Market in Kanthararom have faced violence over informal debt problems with the so-called “Helmet Gang”, which resulted from their difficulty in accessing formal credit due to the uncertain nature of their professions.

In 2015, a group of merchants jointly set up a savings group for Samakkee Market in Kanthararom by raising funds from daily deposits of at least 20 Baht per member,

specialized financial institutions (SFIs) to take important lessons from this success in solving the issue of informal debt to adapt as a model for other community finance organizations, appropriate to local circumstances. He requested that SFIs serve as a supporting institution for community operating and accounting systems, a financial knowledge resource, and coordinate with other agencies to provide legal advice, as well as consider providing additional funding based on the potential of individual community finance organizations. The Finance Ministry seeks to help community finance organizations of all types play an active role in solving the problem of informal debt in order to raise the quality of life of people nationwide in a concrete and sustainable manner.

In addition, the Finance Minister assigned Professor Dr. Narumon Pinyosinwat, Vice Minister for Finance, as well as executives of the Ministry to follow up on activities aimed at solving the informal debt problem and to help people generate income based on the model of the Ban Nong Ou-Nong Sim Sufficiency Economy Learning Center, Trakan Phuet Phon District, Ubon Ratchathani Province, which is a prototype community that is virtually free from the problem of informal debt. At this community, the members have joined forces to raise livestock, cultivate crops and set up a cultural-tourism village based on the sufficiency economy lifestyle. Members of the community benefit from a regular income throughout the year and do not need to rely on external or informal sources of funding.

allowing members to borrow money to use as working capital and tackling the problem of informal debt. The group also supports the savings of those borrowing funds. Currently, the group has helped resolve informal debt problems for 201 members amounting to a total value of 12.55 million Baht (an average of 62,458 Baht per member).

On this occasion, the Minister of Finance expressed his appreciation and thanks to the leaders of the savings group at Samakkee Market in Kanthararom for their concerted efforts in developing the group and in rendering assistance to the members. He instructed the

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