



## CASE STUDY

# Green Growth: Zero Baht Shop

### Background Information

The idea of the Zero Baht Shop located in Bangkok's Prawet district is rather simple, yet highly impactful: a place where no money is needed, but recyclable goods can be exchanged for other useful items.

It all started in a deprived area on the outskirts of Bangkok, where most people worked in the informal sector, doing jobs such as selling goods on boats, picking recyclables from waste, selling garlands on the street, or becoming day laborers. Their wages were earned daily, which made it impossible to rent a home.

When in 2001 local government officials decided to relocate the community, Peerathorn Seniwong, known as P'Thorn, acted as community leader helping organize people and leading the negotiations over the move. Working together as a community, rather than as individuals, gave them collective bargaining power in a way that they had not previously experienced – a lesson that would provide the foundation for the business P'Thorn would later create.

### Approach, Delivery, & Challenges

The idea for the Zero Baht Shop came to P'Thorn when he was at a market and realized that he did not have any money to pay for his purchases. As a trained trash picker, he knew he could collect recyclable and exchange them at a recycling center for the money he needed, but a bag of recyclables was just trash in the market keeper's eyes.

That idea stuck with P'Thorn as he thought about how he could turn collection into something bigger that would help his community. Most of his neighbors were "saleng" (informal recycling collectors) who picked recyclables and sold them to recycling centers. Operating as individuals, they had little opportunity for bargaining to ensure fair rates for their materials. P'Thorn wanted to find a way to increase the community's bargaining power, as they had done in the land negotiations, and he knew that the larger the quantities of recyclables he brought to a recycling center, the better the price he could get.

Prior to opening the shop, P'Thorn attempted to create a mobile shop that took the idea out to his community members. Using it as a proof of concept, he built awareness and support for the eventual solution. He



eventually decided to become a recycling aggregator, with a twist. In 2007, P'Thorn opened a shop under the name of "Waste Management Co-Op." The co-op acted as an intermediary in the recycling value chain by operating a convenience market. Instead of accepting cash for payment, the market allows recycling collectors to exchange the materials they collect for household needs like food, as well as cleaning supplies.

One of the biggest challenges P'Thorn faced was getting his community to support the concept. Many of them thought the concept wouldn't work. To get the community to buy into his vision, P'Thorn had to prove what it was capable of. He started out by finding a way to make it work on a small scale and then used that success to help people see the possibility. Once he had that, it became easier to get more families to take part. Thanks to his persistence, some of his community members are now helping spread the concept to other communities.

In 2009, P'Thorn changed the name of the market to the Zero Baht Shop, and it has operated under that name since. The market works with over seventy families to collect recyclables and then uses the aggregation to get favorable pricing from processors.

The project has received a great deal of attention in recent years and the team has often taken teams of foreign journalists out into the community to gain firsthand experience in the waste collection process. And the model has been copied in other provinces in Thailand, as well as in Taiwan.

P'Thorn and his associates have collaborated with the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) and the 3RFoundation to develop sustainable community waste management solutions. The team from the original Zero Baht shop helped TIPMSE replicate those solutions within other communities by training the teams at some of the new locations. And TIPMSE also runs mobile showcases to help spread awareness of the opportunity.

The Zero Baht Shop has gone beyond just acting as a market/recycling depot. As members have become aware of challenges within the community, they have worked together to devise solutions. In one case, they started a stock share program to give community members the opportunity to invest in the business. This has resulted in a high rate of return for those who have chosen to do so. The group also created a health insurance program that pays for medicines that are not covered by Thailand's universal coverage scheme, as well as a life insurance program which covers costs for burials. They have launched a program which offers basic banking services, and they started a community garden that provides healthy food to the community. These programs help make the community more self-sufficient by collectively providing basic services for each other.

## Benefits & Lessons Learned

The Zero Baht Shop is a bottom-up innovation that has helped foster stability in P'Thorn's community. It also reduced the level of waste being dumped, while driving down people's cost of living.

Marginalized members of society found a way to collectively improve their circumstances. To do so, they needed a deep understanding of the systemic challenges they faced, as they looked for solutions that would improve their outcomes while also reducing risks.

The group's efforts have improved incomes for the families that work with the shop, while also giving them some peace of mind via greater financial stability and a measure of social security that they previously did not have. The knowledge that a hospital stay would not immediately leave you unable to feed your family, and that your death would not be a financial burden, significantly contributed to well-being.



## Opportunities & Next Steps

The Zero Baht Shop is now focused on improving its internal processes to make its operations more efficient. P'Thorn and his associates are also looking into the possibility of creating a system that would weigh materials and print automated receipts.

One of the things that P'Thorn would like to see happen is the adoption of the model on university campuses. This would foster similar benefits for those communities while offering convenient access for research. It would also provide an important example to students. Many university groups have come to visit him, but so far none have adopted the practice.

To take this model into other contexts, the cost of living needs to align with the income that can be generate from collecting recyclables. It's also more likely to work in areas where recycling ecosystems are not fully developed. Policies that support such work, such as the licensing program instituted in Bangkok, can add credibility for the workers and help communities see the work they're doing as valuable.



*P'Thorn displays his waste handling license.<sup>1</sup>*

The Zero Baht Shop is helping community members improve their quality of life, while also reducing the burden of certain risks. Whether it can foster a virtuous cycle in which community members are able to continuously improve their circumstances will be the long-run test of the practice. For now, it is a model of Thailand's Sufficiency Economy, a philosophy introduced by the country's former king, Bhumibol Adulyadej, which advocates three core concepts of reasonableness, moderation, and prudence in looking to live in balance and being prepared to deal with challenges that arise.

<sup>1</sup> Image: Chris Oestereich



The conditions of the community helped foster the success of this project. If higher returns were available to the community members, through better work or higher recycling rates from other vendors, the Zero Baht Shop would have likely struggled, but given the prevalence of such circumstances, the model is an attractive one to consider for similar communities.

## References

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