CODi   Baan Mankong Collective Housing

The Dead Man's List

Baan Mankong Patana Co-op,
Kon Kaen Province

Da is an old lady whose husband had just died. Her husband was the chairman of this collective co-op. He had imbibed too much social bickering, political in-fighting, and drama in his co-op; so his veins popped and bled and he felt victim to hemorrhage.

Most people of his caliber would have left a will, but Da's husband left a *method* - a short list on how to start a collective housing co-op.

His 11-points list is still posted on a public board inside the community pavilion. It reads:

HOW TO START A COLLECTIVE HOUSING CO-OP:

1. START A SAVING GROUP

2. GATHERED MONEY FROM MEMBERS

3. REGISTERED AS A CO-OP

4. TAKE OUT LOAN THROUGH THE CO-OP

5. AFTER LOAN APPROVAL, SUBDIVIDES THE LAND INTO EQUAL PLOTS FOR EACH HOUSEHOLD.

6. COLLECT ENOUGH SAVING REPRESENTING 10% OF THE COST OF HOUSING TO BE BUILT

7. TAKE OUT HOUSING LOAN THROUGH THE CO-OP

8. THE CO-OP SUGGESTED THE LOAN AMOUNT ACCORDING TO ITS MEMBERS' REQUEST

9. CODI APPROVE THE LOAN

10. START BUILDING HOUSES

11. EVALUATION OF PROBLEMS AND HERDLES
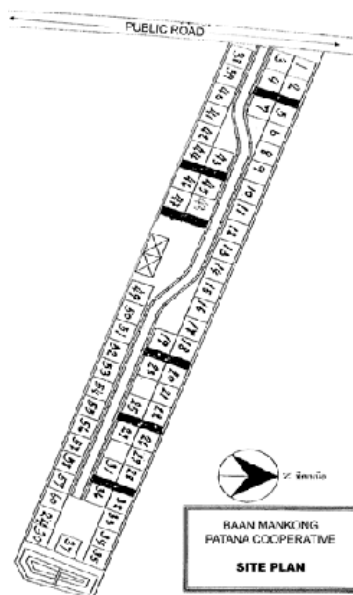
The dead man was working on step 10 of his list when he died. He did not get to see the houses and the community for which he had started.

The co-op where Da is living now used to be an empty land - 1 hectare in area. Squatters, and sellers around the area came together to collectively buy a new piece of land near their old settlement. They called themselves the Chokchai Commune.

Da tells me that after they had formed their saving group, an idea emerged among the squatters that they should just go find a new piece of land and buy it collectively. It was her late husband's idea.

They found that they could buy 1 hectare worth of land with just over 1.6 million baht - a rather good deal. As chairman of the saving group, Da's husband moved relentlessly to secure the land loan from CODI. He registered the saving group as a cooperative in 2004: The Baan Mankong Patana Co-op. And in the winter of 2005, he finally got 1.5 million baht loan from CODI after proving that his saving group - now a cooperative - was committed and had saved up to at least 10% of the loan amount.The land loan carries a 2% interest rate.

The entire co-op had 60 members and together they had already saved up to 165,000 baht at that point. Finally, when the time had come for the folks to sign their loan

document with CODI, the good mayor of Chumpae put his own name on the paper as a guarantor. Members of the co-op are also allowed to sit in on the municipal meetings along with city officials.

In addition to the land saving, the co-op has stashed away 19,000 baht for their general welfare fund - like health care costs and educational costs for their members. The saving co-op is divided into 11 sub-groups; each sub-group has about 5 to 6 members.

Baan Mankong Patana Co-op has 9 committee members which include:

1 Chairman (Da's late husband)
2. Vice chairman
3. Treasurer
4. Secretary and five other members.

Da says that the co-op's money was placed in a regular commercial bank. "People were too scared to form their own bank and to give out loans. They were afraid that once the saving co-op starts to act like a bank and give out loan, there would be a lot of loan defaults!" Da recalls.

"We are too much like a family; it would be hard to collect the payments," she laughs. "But so far, for the CODI loan, there are no defaults; everyone offers to pay their share - it's like taking your family out for a dinner."

After securing their new land, it's time to build the houses. Like the land loan from CODI, the community must save up to 10% of their requested housing loan amount. Da's husband found that they would need 60 houses in total, so he also secured the housing loan from CODI. The land was then divided into 60 plots; each plot is 100 square meters in area. They did the site planning themselves; it was organized along a long roadway and at its center, there's a town hall.

"Folks like this program because the houses are of good design," says Da. "We can also pick and choose the designs ourselves."

Although the folks here did their own site planning, they did not do their own construction; they hire a private contractor to do the entire job. The fee is 2.5 million baht in total.

"Everyone works during the day, you know, it's better to hire outside contractor," says Da.

In addition to the loans, CODI also provides grant money for roadways, water, electrical, and other infrastructure improvements. CODI had awarded 4,160,000 baht in total for all 60 households. The cost of electrical line expansion was already 933,596 baht and the cost of plumbing and water lines was 387,835 baht. The community also used some of this grant money - 1,040,000 baht - for its management budget. And this is the source of headache for Da's husband.

Da tells me that her husband was not a very well-mannered man; he's outspoken and could easily alienate timid people - even without having to deal with the issue of finance. Some faction within the co-op have taken a grudge on him and started to accuse him of financial mismanagement. Some had accused him of acting like a state official; now that he had become the chairman of the co-op with ties to policy makers in Bangkok. The hierarchical structure of Thailand's co-op was the issue that turned the matter from bad to worst; it was inflexible and required lots of paper work.

Today Da has to support herself by doing cleaning services around the community. Her husband used to drive a truck up to the city to sell squids, but Da doesn't know how to drive and is too scared to try it anew. She walks across a large pavilion - the community hall - down the road to show me her new houses. "It's my very own design, you know," she says proudly then sighs.