

HOW UPGRADING OF THAILAND'S INFORMAL SETTLEMENTS IS SPEAR HEADING A COMMUNITY-DRIVEN, CITY-WIDE, INTEGRATED SOCIAL DEVELOPMENT PROCESS

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Introduction : For several decades now, it has been common for governments and international agencies to support programmes to upgrade basic services in urban slums and squatter settlements. In most of these programmes, community residents end up being passive recipients of projects that are conceived by governments, designed by engineers and implemented by contractors. This paper introduces a different approach to community upgrading, in which large-scale urban poor community organizations become the main actors in designing and implementing a more comprehensive community upgrading process, which encompasses not only infrastructure improvements, but also housing, tenure security, and economic and social revival, using a flexible system of financial support.

This new approach is being applied in Thailand through the *Baan Mankong Programme*, a nation-wide slum and squatter upgrading programme which was launched by the Thai government in 2003 and is being implemented by the Community Organizations Development Institute (CODI). The programme, which is being implemented in 200 Thai towns and cities and targets 300,000 households in 2,000 informal settlements, has set out to use the upgrading process as a tool to achieve several larger ends :

- to change the relationship between urban poor communities and local governments, so these communities come to be accepted as legitimate parts of the city, with more space and freedom to develop their own responses to problems they face.
- to transform and strengthen the social systems, internal relationships and practices of collective action among people in the same community.

- to work at the scale of the city (rather than at the scale of an individual community or project), in order to find lasting, comprehensive land and housing solutions for *all urban poor groups*, including those with very low incomes and very limited capacities to pay.

The *Baan Mankong Programme* is showing that if reconceived in this way, community upgrading can be a powerful intervention to rebuild strong social cohesion and collectivity among the urban poor, and can lay the groundwork for the establishment of community-based safety net systems for society's most vulnerable urban citizens. As such, community upgrading can be an effective strategy for reducing urban poverty and putting abstract principles of decentralization and good local governance into practice.

The Thai Government has so far approved total budget of about US\$ 270 million for the program, which is channelled directly to community organizations (in the form of per-household infrastructure subsidies and soft loans for housing and land purchase) to support the comprehensive upgrading and tenure security plans they develop and implement themselves. This budget accounts for only about 25-28% of the total investment in upgrading various communities – the rest being provided by community residents through their labor and cash contributions, and in many cases by local government agencies through their support of some infrastructural elements. The programme is unusual both for its national scale and for the way it is structured, with support going directly to poor community organizations who manage and implement the whole process, thus building their capacity to develop collective responses to many other problems they face besides land, housing and infrastructure.

The *Baan Mankong Programme* is rooted in thirteen years experience of government-community partnerships, but to achieve its goal of reaching 2,000 urban poor communities in 200 urban centres, it recognizes the need for all the different community-driven upgrading initiatives to form part of city-wide programmes in which networks of urban poor organizations work in partnership with local governments and other local development actors to jointly develop a city-wide upgrading programme and to promote community-driven development.

1. BACKGROUND TO COMMUNITY UPGRADING IN THAILAND

There is a great need for processes which ensure all slum and squatter households in a country achieve the improvements called for by the Millennium Development Goals,¹ which include not only physical, but social, tenure security and livelihood improvements. Meeting the MDGs also requires improvements in the managerial systems within urban poor communities and changes in the relationships between slum and squatter communities and their city authorities.

In the past, slum upgrading has mostly involved the provision of minimal physical amenities like drains, walkways, toilets or water supply in informal settlements, by government agencies, but without any attempts to change their land tenure status. Slum upgrading came as a positive sign, at a time when many governments were still ignoring slum communities or evicting them. Although it promised no long term solutions to the serious problems of affordable urban housing, upgrading signaled a retreat from forced evictions, and the minimal infrastructural improvements it brought in represented a mild form of recognition that these communities were part of the city, triggering many communities to become active and organized afterwards.

The Thai government's slum upgrading programme, launched by the National Housing Authority in 1977, was an important step forward for the country's low income urban communities. Before then, the only concept was to push slums and squatter settlements out of the city. Because it recognized these communities as being part of the city, the upgrading programme was a major breakthrough. During the 1980s, between 30,000 and 50,000 households were upgraded under this programme, but here too, without addressing these poor communities' legal status or with their contravention of various by-laws. So the drains and walkways were provided as a kind of reluctant, humanitarian gesture, without ever fully accepting that these slums were viable urban settlements and a much-needed stock of affordable housing assets for the urban poor. At that time, the *Kampung Improvement Programme (KIP)* in Indonesia was the only instance where informal communities were fully accepted and given secure land tenure, as part of a formal slum upgrading programme.

¹ The Millennium Development Goals recognize the need for action in 'slums' as they require 'significant improvements in the lives of at least 100 million slum dwellers by 2020' – although it was subsequently recognized that this is a very inadequate target as reaching 100 million slum dwellers by 2020 implies reaching only a small percentage of those living in 'slums'.

Most of Asia's early upgrading programmes were seen as 'projects' rather than as parts of any city-wide strategies to reach all urban poor groups with improvements. And upgrading programs in most Asian countries are still seen primarily in terms of *physical* improvements. This paper describes a programme in Thailand that reconceives how to achieve large-scale improvements in the lives of the urban poor by supporting local, comprehensive, community-driven processes to upgrade housing, living conditions and tenure security *for all the communities in each urban centre*. As importantly, these city-wide upgrading processes change the relationships between urban poor groups and their city authorities. At the same time, the process of upgrading, in which communities are in control of the development, can also trigger other social development changes within the communities.

Until 2003, the Thai government's response to housing problems faced by low-income groups had not reached a wide scale. In 2003, there were some 5,500 low-income urban communities, with 8.25 million inhabitants, living in poor quality and mostly insecure housing. In 3,700 of these communities, land tenure was insecure: 30 per cent of their residents were squatters and 70 per cent were land renters, with no secure long-term rental contracts. Many of these communities were also under threat of eviction, and 70–80 per cent of their inhabitants could not afford conventional housing, either through the market or through conventional government housing programmes.

Since the 1980s, Thailand has experienced an enormous growth of community movements, NGO and civil society movements, partnerships between government agencies and community-based organizations and networks formed by the urban poor. Besides the NHA's upgrading programme, there have been some interesting pilot housing and land tenure initiatives for the urban poor, including "land-sharing" schemes, through which squatters received secure tenure and infrastructure when they negotiated to share the site they had occupied with the landowner.² In 1992, the Thai government set up the Urban Community Development Office (UCDO), to support community organizations with loans for new housing, housing improvements, settlement upgrading and income generation.³ In 2000, UCDO was merged with

² Angel, Shlomo and Somsook Boonyabancha (1988), "Land sharing as an alternative to eviction: the Bangkok experience", *Third World Planning Review* Vol 10, No 2, May, pages 107–127.

³ Boonyabancha, Somsook (2003), "A decade of change: from the Urban Community Development Office (UCDO) to the Community Organizations Development Institute (CODI) in Thailand", *Poverty Reduction in Urban Areas Working Paper 12*, IIED, London, 31 pages, available free of charge from <http://www.iied.org/urban/index.html>; see also Boonyabancha, Somsook (2001), "Savings and loans – drawing lessons from some experiences in Asia", *Environment and Urbanization* Vol 13, No 2, October, pages 9–21.

the Rural Development Fund to form the Community Organizations Development Institute (CODI), which is now implementing *Baan Mankong*,⁴ a national programme for upgrading the housing, environmental conditions and tenure security of urban poor communities, which is the focus of this paper.

2. FROM UCDO TO CODI

The work of the Community Organization Development Institute (CODI) evolved out of that of the Urban Community Development Office. UCDO been set up by the government of Thailand in 1992 to address urban poverty, at a time when there was increasing awareness that Thailand’s economic success during the 1980s and early 1990s had brought little benefit to the poorest groups. Indeed, housing conditions for many had deteriorated and urban poor settlements were at ever-greater risk of eviction as land prices and demand for central city sites increased. There was also a recognition of the need to develop more participatory models of support, using flexible financial development model and support projects determined by communities, through community-based savings and credit groups. Several earlier projects by communities from local and international NGOs working in Thailand had also shown the possibilities for improving housing by low-income communities and networks of communities.

UCDO was provided with a capital fund of US\$ 30 million, from which it could make loans to organized communities to undertake a variety of activities related to housing, land acquisition and income generation. It also provided small grants and technical support to community organizations.

From the outset, UCDO sought to bring together different interest groups – with senior government staff, academics and community representatives sitting on its board. Initially, loans were available to community-based savings and loan groups for income generation, revolving funds, housing and land acquisition (for instance, to allow communities threatened with eviction to purchase existing slum land or land elsewhere, and develop housing there). Any community could receive any of these loans, provided they could show that they had the capacity to manage community finance as a group, through community savings and loan group, and that the loans could be used to respond to the particular needs of each group. In this way, UCDO developed

⁴ For a more detailed description of Baan Mankong, see CODI (2004), *CODI Update 4*, June, 32 pages, available

links with a wide range of community organizations, savings groups, NGOs and government organizations. The loans were given on interest rates that were dramatically lower than those charged by informal money lenders (the only other source of credit to urban poor households), but also high enough to allow the initial UCDO fund to be sustained and to cover the organization's administrative costs.

As the savings groups became larger, stronger and more numerous, UCDO facilitated links among individual savings groups, which led to the formation of community networks at many levels. UCDO also supported community organizations in a particular city or province to join together to form networks, to negotiate as a block with city or provincial authorities, or to work together on shared problems of housing, livelihoods or access to basic services.⁵ Gradually, UCDO began making bulk loans to community networks, which then on-lent to their member communities. The emergence of large-scale community networks brought immense changes to the community-led development processes in general - and also to UCDO. These networks became increasingly the means through which UCDO's support and funds (and later CODI funds) were made available to low-income groups around the country. These community networks take many different shapes and forms, some based on shared occupations (such as the taxi-drivers' cooperative), shared land tenure problems, a shared public landlord or a common pooled savings. There are networks of communities within the same city, or along the same canal, or along the same railway line.

Later on, UCDO began linking with other government and bilateral programs to implement several other development programs, also using flexible grants to communities and to their networks to work on particular development activities such as :

- a small grants programme for community-managed environmental improvement projects, with US\$ 1.3 million from the Danish government (DANCED), which supported 196 projects benefiting 41,000 families, and whose projects strengthened the capacity of community organizations to work together and to work with local government;
- a programme to help savings groups facing financial crisis maintain their loan repayments after the financial crisis of 1997 (with support from the Thai and Japanese governments);

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⁵ See Boonyabancha 2003 and 2005, op. cit.; also Boonyabancha, Somsook (1999), "The urban community environmental activities project, Thailand", *Environment and Urbanization* Vol 11, No 1, April, pages 101–115.

- community welfare funds, made available to communities for use as grants, loans or partial loans for education, income generation and other welfare (for instance, school fees, those who are HIV positive, the sick or the elderly), with support from the World Bank’s Social Investment Fund Menu 5.

By 2000, when UCDO became CODI, 950 community savings groups had been established and supported in 53 of Thailand’s 75 provinces; housing loans and technical support had been provided to 47 housing projects involving 6,400 households; grants for small improvements in infrastructure and living conditions had been provided in 796 communities, benefiting 68,208 families. More than 100 community networks had been set up. More than 1 billion baht (US\$ 25 million) had been provided in loans, and more than half of these loans had been repaid in full. Informal estimates suggest that assets of some 2 billion baht had been generated by all these projects.

CODI was set up in 2000 and continued to support the the programmes set up under UCDO. But, whereas UCDO had been a special project under the National Housing Authority, CODI’s legal standing as an independent public organization (under the Ministry of Social Development and Human Security) provided it with greater possibilities (for instance, being able to apply to the annual government budget for funds), wider linkages and new possibilities for supporting collaboration between urban and rural groups. The emphasis on supporting community-managed savings and loan groups and community networks remained strong, but CODI is now linked with 30,000 rural community organizations, as well as the urban community organizations, and many community networks that CODI supports include both rural and urban community organizations. Like UCDO, CODI also has a mixed board which includes representatives from government and from community organizations.

3. BAAN MANKONG (“SECURE HOUSING”) PROGRAM

a. The new programme

In January 2003, the Thai government announced two new programmes which together sought to provide secure housing to 1 million low-income urban households. The first is the *Baan Mankong* (“*secure housing*”) Programme, which channels government funds (in the form of infrastructure subsidies and soft housing and land loans) directly to urban poor community organizations, which plan and carry out improvements to their land, housing, environment and

basic services. This programme is being implemented by CODI. The second is the *Baan Ua Arthorn* (“*We care*”) Programme, in which the National Housing Authority designs, constructs and sells ready-to-occupy flats and houses at subsidized rates to lower-income households who can afford the “rent-to-own” payments of US\$ 25 – 37 per month.

The *Baan Mankong* Programme was specifically set up to support upgrading processes that are designed and managed by low-income households and their community organizations and networks. These communities and networks work with local governments, professionals, universities and NGOs in their city to survey the poor communities and then to plan an upgrading programme which will resolve the land and housing problems of *all urban poor communities in that city*, in three or four years. Once these upgrading plans have been finalized, CODI channels the infrastructure subsidies and housing loans directly to the communities.

The Baan Mankong Programme builds on the community-managed programmes that CODI (and its predecessor UCDO) have been supporting since 1992, all of which operate on a strong faith in people’s capacity to manage their own needs collectively. The upgrading programme stipulates no formula for how communities are upgraded, what physical form the housing or infrastructure solutions take, or how the secure land tenure arrangements are negotiated – on the same or on alternative sites. But the program’s emphasis is on upgrading settlements in the same place, whenever possible. In those cases where relocation is necessary, the alternative sites must be agreed to by the communities, with support from local development agencies, and should be as close as possible, to minimize the economic and social costs of relocation. Power over all these decisions resides with the community, which is the owners of the upgrading project, as a collective. Communities also take responsibility as a group to collectively manage loan repayments for housing construction or land purchase.

The Baan Mankong Programme has set a target of improving housing, living conditions and tenure security of 300,000 households, in 2,000 poor communities, in 200 Thai cities within five years, representing over half the urban poor communities in Thailand, according to the following rough targets:

- **2003:** upgrading ten pilot communities (1,500 units) and preparations in 20 cities;
- **2004:** upgrading 174 slum communities (15,000 units) in 42 cities and preparations in 50 more; also support for learning, the demonstration of different options, and developing links between communities and city authorities;

- **2005–2007:** upgrading 285,000 units in 200 cities.

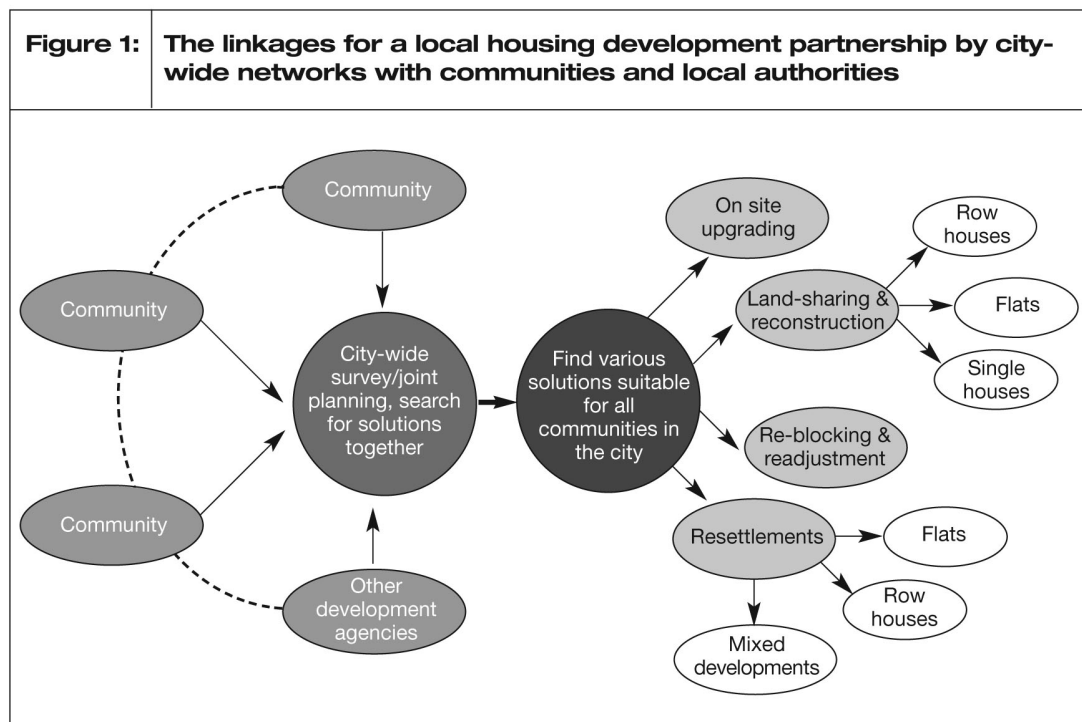
The upgrading programme imposes as few conditions as possible, in order to give urban poor communities, networks and various stakeholders within each city the freedom to design their own programme. The challenge is to support upgrading in ways that allow urban poor communities to lead the process and to generate local partnerships in the process, so that the whole city contributes to the solution. A key to this flexibility is the ability to use flexible financial management, which in turn allows communities and their local partners as much flexibility as possible on the ground. This kind of flexible finance contrasts starkly with the more conventional, vertical, system-led, contractor or supply-driven approaches.

b. Methodology

Figure 1. illustrates the process through which a city-wide upgrading and housing programme is developed in a given urban area, bringing together all the key actors in that city. The design of a city-wide upgrading programme, and the city network that is necessary to implement it, involves certain steps:

- identifying the stakeholders and explaining the programme;
- organizing network and community meetings, which may include visits from people in other cities;
- establishing a joint committee to oversee implementation. This committee includes urban poor community and network leaders, as well as municipal officials, local academics and NGOs. This committee helps to build new relationships of cooperation, to integrate urban poor housing into each city’s overall development and to create a joint mechanism to plan and implement housing development together;
- conducting a city meeting where the joint committee meets with representatives from all urban poor communities to inform them about the upgrading programme and the preparation process;
- organizing a survey which covers all communities to collect information on all households, housing security, land ownership, infrastructure problems, community organizations, savings activities and existing development initiatives. The survey process also provides opportunities for people to meet, learn about each others’ problems and establish links;

- using the survey information to develop a community upgrading plan which covers all the informal settlements in the city;
- supporting to establishment of collective community savings and loan groups, while all the above steps are going on. These savings groups not only mobilize resources within the community, but also strengthen community groups and build their collective management skills;
- selecting pilot upgrading projects in each city. Selection could be made on the basis of need, a communities’ willingness to be a guinea pig, or for the learning possibilities a certain community might provide – for both the community itself and for the rest of the city. Once pilot communities are selected, then preparing development plans for pilots, starting the construction and using these projects as “learning centres” for other communities and actors;
- extending the upgrading process from the pilots to all the other communities, taking care to include those squatters and urban poor who are living outside established communities (such as the homeless or itinerant workers);
- integrating these upgrading initiatives into a city-wide housing development process. Doing this involves coordinating with public and private landowners to provide secure tenure or alternative land for resettlement, integrating community-built infrastructure into larger municipal service grids, and incorporating upgrading with other city development processes;
- building community networks around common land ownership, shared construction, cooperative enterprises, community welfare or collective maintenance of canals and other natural amenities;
- creating economic space for the poor (for instance, new markets), or economic opportunities wherever possible within the upgrading process; and
- supporting constant exchange visits between projects, cities and regions for all those involved, including community representatives and local government staff.



The per-household infrastructure subsidy in the Baan Mankong Programme has a ceiling of 25,000 Baht (US\$625) per family for communities upgrading or reconstructing *in situ*, and a ceiling of 65,000 Baht (US\$ 1,625) per family for communities relocating to new land. These per-family infrastructure subsidies are then multiplied by the number of households in a community to determine the maximum subsidy available for upgrading the community's infrastructure. These simple subsidy calculations allow community members to collectively start discussing, planning and costing out all the aspects of their comprehensive upgrading projects. Through CODI, the Baan Mankong Programme also provides soft loans for purchasing land or building houses to those who need them. The programme also offers each community a grant equal to 5% of the total infrastructure subsidy to help fund their local management costs and support their organizational process and networking.

c. How Baan Mankong differs from conventional upgrading approaches

- Urban poor community organizations and their networks are the key actors, and they control the funding, manage the projects and implement the improvements. They also undertake most of the building (rather than contractors), which means most of the funds remain within the

community and act as seed capital for the considerable additional investments community people make in their own housing and community.

- The programme is “demand-driven by communities” rather than supply-driven by government agencies or contractors, since it supports only communities that are ready to implement their own improvement projects and allows a great variety of responses, each one tailored to a community’s needs, priorities and possibilities. Communities decide how to use their infrastructure subsidy, which land to buy or lease, what type of housing they like and can afford, etc.
- The programme does not specify any standard physical outputs, but only provides flexible finance, which allows communities and their local partners to plan, implement and manage the upgrading directly, in their own way and according to their own needs and priorities. Government agencies are neither the planners, the implementers or the construction managers.
- The programme promotes more than just physical upgrading. As communities design and manage their own physical improvements, the process stimulates deeper but less tangible changes in the community’s social structures. And these changes lead to the development of such social amenities as community development funds, community welfare systems, welfare houses, etc. This collective work also strengthens a community’s managerial systems, boosts the confidence of its members, and changes their relationships with local government and other development actors in their city.
- When people’s own upgrading plans for their communities are integrated within the city’s planning and city development strategies, it helps trigger acceptance of poor communities as legitimate parts of the city, and as valuable partners in the city’s larger development process.
- Secure land tenure terms are negotiated for most communities individually, using a variety of tenure options, such as cooperative land purchase, long-term lease contracts, land swapping, land sharing or long-term user rights. Most of the tenure negotiations happen locally, with minimal legal procedures and minimal involvement of national bodies, but in all cases, the emphasis is on *collective* - rather than individual – land tenure.

4. LEARNING FROM THE FIRST YEAR’S TEN PILOT PROJECTS

To explore a variety of new approaches to upgrading, ten pilot projects were supported initially in 2003, to be used as learning examples for the next phases of the national upgrading

program. These first pilots were selected together under following qualities, communities that had organized themselves, had some experience of working with other organizations, and had families with monthly incomes below 10,000 baht (US\$ 250). All but two were on state land, so implementation was easier. Six of these pilot projects are described here.

a. Land purchase and re-blocking

Charoenchai Nimitmai comprises 81 households living on a 0.7 hectare site in Bangkok, bound on three sides by railway tracks, an expressway and a drainage canal. The people had been renting their land from a private landowner for many years. In 1998, when threatened with eviction, they negotiated to purchase the land for about a quarter of its market value, and after establishing a cooperative, took a CODI loan to buy it. To bring down per-family costs, they developed a re-blocking plan that accommodated some other families squatting on land nearby. All but 15 houses had to be moved to new locations within the site to make way for new roads. Many families built their homes using materials from their previous houses and are upgrading them gradually. Agreements which the community negotiated with different municipal departments brought individual electricity and water connections and building permits. A contractor was hired for the infrastructure that needed heavy machinery, but the people handled the rest of the construction work themselves, using paid community labour, which cut development costs by 30%. The average cost per household came to US\$ 6,683, which includes US\$500 for infrastructure, \$1,126 for housing and the rest buying the land. Each household makes repayments of between US\$ 27 and \$50 per month.

b. Post-fire reconstruction and a long-term lease

Bon Kai is a long-established squatter community of 566 households on Crown Property Bureau land central Bangkok. After a fire destroyed 200 houses in 2001, the community used the crisis as an opportunity to form a cooperative and to negotiate a renewable 30-year land lease. Bon Kai was the first case in Thailand of a long-term lease contract on public land being made to a community cooperative (land leases are usually made out to only single households and are short term, so they do not provide secure tenure). The reconstruction was planned in three phases so that no one had to leave the site. In order to accommodate everybody, three-storey row houses are being built, on a tight layout of plots of only 24 square metres. The average unit cost (for land, housing and infrastructure) is US\$ 4,901 and households repay US\$ 22–30 per month. The first phase of the project is now complete and was inaugurated by the prime minister in July 2004.

c. Relocation to nearby land

Klong Toey Block 7–12 is another long-established squatter settlement of port workers, daily labourers and small traders, on land belonging to the Port Authority of Thailand. Over the years, the community had experienced fires, chemical explosions and many attempts to evict them. Originally comprising nearly 400 families, the community had dwindled to 49, as some families took compensation and moved away and others opted to move to NHA flats or to sites in remote resettlement colonies. After 20 years of struggle, the remaining 49 families negotiated a deal that allowed them to develop their own new settlement on Port Authority land one kilometre away, with a 30-year lease. The land could accommodate 114 households, and so the project includes homes for some renters and some who had already been evicted from the original settlement. The average unit cost (for land, housing and infrastructure) is US\$ 9,039.

d. Scaling up pilot projects

In Bangkok’s Ramkhamhaeng area, two early pilot upgrading projects sparked off a larger development process that involved seven other communities in the same locality. The first was a squatter settlement of 124 families, occupying 0.8 hectares of land under the Crown Property Bureau. This community negotiated a 30-year lease after forming a cooperative, and worked with architects to develop a new layout plan and two-storey row houses. The second

project involved 34 families living on a marshy 0.8 hectare site also under Crown Property Bureau (CPB) ownership. Initially, they planned to rebuild their houses on the same site, but found that the costs of filling the land were too high. Seven other communities decided to join these two schemes and, working closely with the CPB, these 9 communities are now preparing a master redevelopment plan that will provide secure land and housing for over 1,000 households, on 40 hectares of land in several CPB parcels in the area. This master plan will create new residential areas linked to markets and parks, and will involve re-blocking in some areas and nearby relocation in others. Everyone will remain in the general area, with long-term leases obtained through community cooperatives.

e. Land sharing

The canal-side community of **Klong Lumnoon** was formed 20 years ago, when this was an isolated site. By 1997, the area was becoming gentrified, and the landowner decided to evict the people to develop the land commercially. Some households accepted cash compensation and moved away, but 49 families who worked nearby refused to go. After a long and acrimonious struggle, they convinced the landowner to sell them a small portion of the land they had occupied, at below market rates, in exchange for vacating the rest of the land. After registering as a cooperative, the community took a loan from CODI to buy the land, and worked with young architects to develop a tight plan for 49 row houses and space for a community centre. The average unit cost at Klong Lumnoon (for housing, infrastructure and land) works out to US\$ 7,740 per household.

f. The relocation of scattered squatters to common land on long-term lease

Boon Kook is a new settlement in the northern city of Uttaradit, where 124 households that had been living in many small, scattered squatter settlements were relocated. To resettle these households (which were identified by the community network in their city-wide survey), the municipality agreed to purchase a 1.6 hectare site and lease it to the cooperative formed by the new residents on a 30-year lease, with a nominal annual rent. The community network helped start daily savings schemes among the inhabitants, CODI provided housing loans, and the NHA provided the infrastructure. The six house models designed for the project cost between US\$ 750 and \$ 3,750, with repayments of US\$ 5 – 23 per month. The Boon Kook community

plans also include five collective housing units for the elderly, poor and physically disabled members of the community.

5. SUPPORTING DECENTRALIZED ACTION WITHIN CITIES

Municipality and local authorities still under great transformation and city authorities still need more knowledge, capacity as well as local governance systems to be opened up so that citizens feel that it is their city and that they are part of the development. Responsibility for different aspects of city management can be easily participated and decentralized to communities – for instance, for public parks and markets, maintenance of drainage canals, solid waste collection and recycling, and community welfare programmes. Opening up more room for people to become involved in such tasks is the new frontier for urban management. Community Upgrading is one powerful way to spark off this kind of decentralization and become an active part of city development activities actively participate by communities which will turn out to be active citizen groups of the city. The major approaches should be city-wide attempt for a clear period of 3-4 years to cover the development of all urban poor communities in the city.

Five techniques are being used for scaling up the Baan Mankong upgrading process in general.⁶

- **pilot projects** (such as those described above) are organized in as many cities as possible, to get things going, to give visible examples for all peer groups to see and learn, to generate excitement and to demonstrate that community-driven upgrading can work. These pilots become examples of how upgrading can be done, and are much visited by other community organizations and city government officials;
- **learning centres**: 12 cities with strong upgrading processes at the initial stage have been designated as learning centres for other towns and cities in their regions;
- **big events**: when an upgrading process is launched or a project inaugurated, policy makers, government, public in general, people from neighbouring cities are invited to see what is happening and what is possible, turning each city’s milestone into a mass learning opportunity;

⁶ These are also techniques widely used by other organizations and federations of the urban poor – see *Environment and Urbanization* Vol 13, No 2, (2001); also Patel, Sheela (2004), “Tools and methods for empowerment developed by slum dwellers’ federations in India”, *Participatory Learning and Action* 50, IIED, London.

- **exchanges:** between communities, pilot projects, cities and regions involving community representatives, officials, NGOs and academics;
- **sub-contracting:** CODI sub-contracts most of the support and coordination work to partners in cities, whoever ready to work with communities, NGOs, architects, university professors, municipal officers; and

City-wide upgrading processes are now underway in almost 170 Thai cities. Here are a few examples of how various cities are tackling their upgrading programme :

Uttaradit: In the city of Uttaradit, for example, the upgrading process started with a survey which mapped all the slums and small pockets of squatters, identified all the landowners, and established which slums could remain and which needed to relocate. This helped link communities together and initiated the building of a community network, with support from two young architects, a group of monks and a very active mayor. Looking at the whole city, they began by seeking housing solutions for the 1,000 families with the most serious housing problems. To do this, they used a range of techniques, including land sharing in one area, re-blocking in another, as well as in situ upgrading and relocation. Solutions included the Boon Kook pilot project (*described above*), which provides homes for 124 households that had previously had lived in small squatter settlements scattered around the city.

Bangkok: In Bangkok, some 1,200 informal settlements provide housing to almost a third of Thailand's urban poor. To divide this sprawling mega-city into smaller, more manageable parts for the Baan Mankong process, each of Bangkok's 50 districts have organized a process to select and propose at least two pilot projects in the first year. Each district is doing its own survey, forming its own joint committee with all key actors, and developing its own three-year district-wide upgrading programme.

Korat: In Korat, a network of 25 communities is working with NGOs, the municipality and the university on a three-year upgrading programme that will reach 52 settlements with 9,900 households.

Ayutthaya: In the historic capital city of Ayutthaya, which is a world heritage site, the community network has surveyed and mapped all the informal settlements, which total 53, comprise 6,611 households, most situated within the historic areas of the city. The community network then organized a seminar with the city authorities, to present the survey information.

This showed that it would be possible to improve conditions in their settlements, bring in basic services, construct proper houses and shift the settlements a little to allow the monuments to be rehabilitated. Several pilots are underway to show that poor communities and historic monuments can be good neighbours.

6. WHAT HAS BEEN ACHIEVED TO DATE

The tables below describe the progress achieved by the Baan Mankong upgrading program up to September 2005. Initiatives are underway in 415 communities, approving almost 30,000 households (Table 1), and working in 140 cities simultaneously.

Table 1: Progress for Baan Mankong; January 2003 to September 27, 2005

Total number of projects approved	304 projects
Number of districts and cities where the programme is underway	140 cities and districts in 57 provinces (out of 76 total provinces in Thailand)
Number of districts/cities where projects have been <i>approved</i>	106 districts and cities in 53 provinces
Number of communities involved (<i>in approved projects</i>)	415 communities
Number of households (<i>in approved projects</i>)	29,054 households
Total budget approved : <ul style="list-style-type: none"> • Infrastructure upgrading grants • Housing and land purchase loans 	1. US\$ 25.7 million 2. US\$ 14.4 million

Table 2 shows the different kinds of projects supported – with more than three-quarters of them involving upgrading in situ and only 24 per cent requiring relocation and mostly nearby relocation.

Table 2: Types of upgrading project supported by Baan Mankong (as of Sept. 25, 2005)	<i>Number of projects</i>	<i>Number of families</i>	<i>Percentage</i>
On the same site (includes in-situ upgrading, in-situ reblocking or reconstruction, and land sharing)	269	22,151	76%
Nearby relocation (within 2 kms)	40	2,109	7%
Relocation (farther away than 2 kms)	105	4,784	16.5%
Shelter house for homeless	1	100	0.5%
TOTAL	415	29,054	100%

Table 3 shows the kinds of land tenure that the projects achieved. Overall, long-term land tenure security was provided to 10,794 families (83 per cent of the total).

Table 3: The kinds of land tenure security improvement achieved by the projects

<i>Status of land tenure after project</i>	<i>Number of projects</i>	<i>Number of families</i>	<i>Percentage</i>
Cooperative land ownership	158	9,849	34%
Long-term lease to community cooperative	171	14,897	51%
Short-term lease to community cooperative (less than 5 years)	32	2,282	8%
Permission to use land	54	2,062	7%
TOTAL	415	29,054	100%

The result has also shown that about 60% of families have been facing various kinds of eviction or illegals always become first priorities selected by joint city groups to be pilot projects to start for the city together. This figures show that, in fact, the city-wide process can detect and probably deal with eviction problems in a more effective ways, in big scale and be participated by larger local actors together.

7. WHAT HAS BEEN LEARNED?

1. The importance of city-wide programmes in which urban poor organizations are fully involved. Working at city-wide scale is critical for this new kind of slum upgrading by people. The city-wide scale brings out the differences between slums within a city or city district – differences in land ownership, legal status, access to infrastructure, housing quality and degree of vulnerability. This way, people start to understand and question these differences, and this process becomes a kind of university, where people learn more about their own city. When communities develop an understanding of these structures, they begin to understand the larger

economic and structural forces which create these different conditions. When people don’t have this understanding, they remain vulnerable and easily pushed around by outside professionals or institutions. But when communities and other local actors begin to understand these issues together, it is enormously empowering.

2. *The process of choosing the pilot upgrading projects by the urban poor organizations and local development partners.* After city-wide surveys have been completed and the dialogue between the poor and all the other stakeholders develops, the next step is to start work. The initial pilot upgrading projects are extremely important tools for showing both the poor and everyone else in the city that this is something possible. In some cities, community networks may start with the easiest, most “achievable” communities, while others will opt to do pilot upgrading in the poorest settlements, or those most vulnerable to eviction. But more important that which communities are selected is the process by which those pilots are chosen. All communities have much to teach, and it is crucial that the process of selecting these pilots be open and visible, so that all the communities in the city feel that they are part of the discussion and selection, and that they feel these pilots belong to them, and are their learning opportunities. These first upgrading projects become powerful concrete evidence that what is being done together is correct and works. If the pilots go well, the whole city will jump to another level of readiness, enthusiasm and confidence.

3. *The importance of learning and seeing that change is possible in the pilot projects.* As poor communities watch the visible changes taking place in their city’s first pilot upgrading projects, they begin to look at their own situation in new ways, begin seeing their own settlements *as places where change is also possible*. The first pilots are powerful examples for all urban poor communities because all the work is being undertaken by their peers – by other people who are also poor – not by some outside “experts” or government agencies. This motivates people to start preparing themselves, setting up savings groups, initiating their own surveys, discussing their own upgrading priorities.

4. *Horizontal linkages between peer groups in a city represent a new system of horizontal power delivery.* When space is created for urban poor communities to look at their city in its entirety, they find that they are no longer isolated within their individual settlements: they have friends and allies in other communities around the city who struggle with similar difficulties. This is how communities start to build a larger platform for collaboration, sharing

information, mutual learning and assistance, and joint mobilization for more structural changes. Most decision-making systems related to power, wealth and development in our societies – as well as the relationships between municipal governments and poor people - are vertical systems. The emergence of these horizontal linkages and platforms to counter-balance those vertical structures become extremely important. When poor communities in a city start working together and have the power to collectively decide the direction of their own development, it creates a new power delivery structure.

5. “Slums” are not aberrations, but a normal part of cities. The city-wide scale of the upgrading process helps city authorities and other urban actors to begin seeing slums with greater understanding and less fear: not as a clash between legality and illegality, but as something which is a natural and vital part of the city’s economic and social life, and as something which *can be improved*. When city authorities, politicians and other groups in a city start engaging in discussions with urban poor groups about how to address the city’s housing problems, it changes perceptions dramatically, and makes affordable housing and secure land tenure part of the city’s normal development agenda. With this approach, official attitudes towards informal settlements in most Thai cities are changing dramatically, and becoming more supportive of their poor citizens in the process. It is important for central government development agency to support communities and cities to be able to work together in this proactive manner.

6. Supporting city and nation-wide upgrading by people inevitably means a bit of clumsiness and imperfection. Once you’ve created space for urban poor communities to take charge of their own upgrading on such a vast scale, it is inevitable that the process be a bit messy and clumsy. But with the support of their horizontal linkages with their community networks and other local development partners, the upgrading procedures will gradually adjust themselves, moving in the right direction as they become more refined and more efficient. Innovations and improvements will occur almost automatically, because the whole support system believes in people and encourages their creativity, which can then catalyse other communities and other local development allies, creating more (and more varied) precedents which show what can be done.

7. How to manage with the lack of experienced professionals. In some communities, well-known architectural firms have been assisting the people to develop innovative housing and community designs. But there are many complaints that there are too few architects to assist the

upgrading process on such a wide scale. Many architects want to do something challenging and socially relevant, but find realities in these communities too complicated, too messy, too demanding. In many cases, the people feel bullied into accepting whatever the architects propose. It would be ideal if there existed a small army of sensitive, humble and experienced “community architects” to be involved in Baan Mankong. But since no such army exists, community networks in many cities are getting their local universities to provide technical support to their upgrading projects, of finding their own local architects to help. While not all the upgrading projects have the best design, the good ones are all being much looked at, much visited, and good design ideas are getting seen and noted and spread around by the people themselves.

8. *The importance of getting everybody in the community on board, doing things collectively.*

Poor communities are never heterogenous – all of them contain a mix of better-off and poorer people, layabouts and achievers, disabled, unemployed, elderly, orphans, drug addicts, people in crisis. In the market system, only those who can afford to pay can get access to society’s benefits. But in a collective, community process, the challenge is to find ways to deal with all these unequal conditions, so that everyone is part, everyone’s needs are taken care of. It is crucial that the upgrading process make room for communities to think about how to meet the needs of *everyone in the community*, even their poorest and most vulnerable members. This has to be viewed as a challenge, not a limitation. And communities around Thailand are rising to the challenge, finding creative ways to accommodate the needs of their poorest and most vulnerable members in the upgrading process (see Box 1 for an example of this).

9. *Unleashing community creativity and reviving the culture of collectivity.* Once people start managing finances and planning upgrading collectively, and once they secure land under a communal lease or cooperative ownership, a lot of other communal energy and creative activities are unleashed, especially in the social sphere. When people are linked together like this, through this collectivity, they almost automatically start developing new ideas for how to resolve other more social and welfare needs, and putting them into practice. The solutions may be different in each community and region, but the same human culture of collectivity and mutual assistance underlies them all – a strength which has always existed of necessity in poor communities, but which the upgrading process is helping to strengthen. The *Baan Mankong* upgrading programme is encouraging this collectivity and this deeper social development in several ways, by imposing several key conditions on communities :

- the upgrading has to include everyone in the community, rich or poor, renters or owners;

- wherever possible, land tenure (lease or sale) should be collective;
- the upgrading work should be planned and implemented collectively;
- the housing loans are given to the community organization or cooperative, not to individuals;
- community social welfare systems should be part of the long term community planning.

Box 1: The “central house” for accommodating those with special needs

In several of the Baan Mankong projects so far, communities have set aside plots within the land they collectively purchased or leased to construct special shelters for needy community members. These “central houses” [*baan klang*, in Thai] provide shelter for destitute widows, AIDS orphans, handicapped or elderly people, or unemployed community members - whoever is too poor or somehow unable to provide their own housing. These houses are part of an extremely localized welfare system, and represent one way in which communities are trying to get everybody in the boat as part of the upgrading process.

10. Upgrading people’s rights in the city, not just building a few new drains and roads.

When people’s land tenure is secured, as part of the upgrading process, their rights and their security are being upgraded. Their status and their citizenship in the city also undergoes a change. Many in cities still look at the poor in informal settlements as unacceptable, as blights on the city, and the poor often end up believing this themselves. So both groups have to change. The poor especially have to start believing in their own power, energy and ability. Nobody can get this confidence by being told, only by doing something real. Thus, change can only be possible if people change. This is why upgrading is a powerful intervention to spark this kind of change. Baan Mankong is showing that people’s rights can be upgraded very concretely and visibly through concrete upgrading activities, by poor people themselves. Once people believe in their power, they start looking at things differently, and can adjust their relationships with the city.

11. Upgrading urban poor communities’ relationship with the city. This kind of upgrading also involves upgrading relationships within a city by creating space for local authorities, community networks and all the urban poor communities to interact and work

together, as equals. In Baan Mankong, individual communities do not make proposals directly to CODI and CODI does not pass the budget directly to any individual community. There has to be a local mixed committee and all the upgrading projects have to be discussed and then proposed by the whole network. Making the conditions a little complex like this is a way of knitting together these relationships, so the network – and the various local development actors on the committee – make decisions together and feel a strong ownership of the upgrading projects.

12. The role of savings and credit in building a community's capacity to manage finance and upgrading process. We often speak of savings groups being formed as a means to get poor communities organized and involved, to get them working and thinking together. But in the upgrading process, the most important aspect of savings and credit activities is that they teach communities to manage finance – both their internal assets and outside finance - collectively. This helps ensure that the people themselves become key actors in development. The way most development works, someone else always holds the purse, and people, for lack of financial management skills, are left holding their hand out. Collective saving and credit activities help communities grow up, help them to learn to manage money and finances collectively, in ways that are transparent, equitable and effective. This is what draws the line between something that other people do for you and something you do yourself.

8. HOW UPGRADING CAN LEAD TO THE BUILDING UP OF INTEGRATED COMMUNITY-DRIVEN DEVELOPMENT

In the Baan Mankong program, people are the main actors in resolving their own problems of housing, environment and tenure security. They are the owners of the project. They get together to talk, to share ideas and to understand their situation together, and this is a very important foundation to spark off the interactions which build social relationships between people. In the process of planning upgrading projects throughout a whole city, people automatically start learning what other people in their town or neighbourhood are thinking, how they are living, what are their problems, what are their dreams. There is a great need for this kind of platform to enable people to learn about each other, and to explore their points of difference and sameness, and find ways of dealing with the problems together - as a group. The communal direction is the non-negotiable core of this new city-wide development direction. This large-scale community upgrading program is creating space for this kind of large-scale social

interaction and strengthening of new, secure social units, at the roots of society, through several means :

By making land a collective (*not individual!*) asset: Experience in the Baan Mankong program so far has shown that one of the most important aspects of collective housing security and one of the best ways of building this collective culture and social relationships is for land tenure (ownership or lease-hold) *to be collective*. When land is treated as a commercial object or an individual asset, it changes relationships between people, breaks intricate bonds of co-dependence and cooperation which are part of traditional community social structures. Instead of increasing their common shared spaces, individualized tenure isolates people into social units of one, and this isolation dissolves their collective bargaining power. But when land is a communally-owned asset, controlled by a group of people and providing a communal source of security to that group, it becomes a relationship-builder.

By making finance an invisible source of collective community power: Without any communal financial management system in a community (such as a savings group), only a few better-off community members will be able to link with the formal market system. But if the goal is to *include everybody*, it is essential to have a collective financial system which links everybody, no matter how poor they are, so that the whole community goes ahead as a group. A collective financial system can act as a buffer between the external formal financial system (which is stiff and difficult to access) and the internal, people-owned financial systems (which are flexible, informal, communal, and constantly adjusting themselves to accommodate the crises which are part of poverty).

By using collective financial systems to strengthen collective decision-making practices. Collective decision-making is never easy. There are always community members who don't cooperate, don't follow the rules or make off with money. But if the requirement is that *everybody* (even the troublesome or most marginalized) is part of the project, the difficult process of dealing with all these people and all these problems and differences becomes a very important social development opportunity. When people in a community struggle to find ways to resolve differences or accommodate difficult characters or make space for destitute members, so that everyone is taken care of, the collective capacity is enriched and empowered. *And that process creates new social norms, little by little.*

By helping communities to set up extremely localized social welfare systems of their own. Most communities being upgraded under Baan Mankong set aside a margin from the housing or land loan repayments to establish special welfare funds, used to meet a variety of crisis needs within the community (such as school fees, health care, maintenance allowances for elderly, sick, handicapped, destitute or unemployed community members, etc.). This is a community's system for taking care of its own members who are in need of help, and it is more than simply a financial mechanism: these funds (even if very small) give a community greater power to help each other, and this builds social cohesion, and it allows communities to think in larger ways about how to deal with these welfare problems as a group, in a more comprehensive way. And this in turn makes for a life in the community in which people are much closer to each other, more interdependent, more caring.

By boosting people's collective ability to negotiate with the formal system for something better. Individually, poor people have no power to negotiate for anything in the city. But strong communities can negotiate on many fronts, for a variety of things, on behalf of their members. In this way, the community unit becomes a kind of balancing mechanism in the larger society, a security factor to find ways of resolving issues of survival in ways that are human and effective. And when several communities link together into a network, this power is multiplied, and the possibilities for negotiation within the city increase dramatically. This is a crucial form of protection for those at the bottom of the economic ladder who are not protected by the formal system. When people are afraid and insecure, their creativity is held in check. But when this community protection is in place, it frees people to have the confidence to think forward, to try new things, to innovate. ears.

By building management systems that are horizontal rather than vertical: Any community with management systems that are *horizontal* is usually fine - people know what's going on. There is more danger of corruption, exclusion, opportunism and troubles when systems are *vertical*. All the formal systems of management and control in our societies are overwhelmingly vertical, and getting more vertical all the time. What we need, in terms of social development, is to counterbalance these vertical systems with more strong horizontal systems: horizontal connections people in the same community or between communities within the same city, horizontal links between communities under the same land-owner, horizontal links between settlements along the same canal, etc.

By making people – and not any particular physical target – the center of the upgrading program. If we try to understand social development and people development as being the key objectives of a physical upgrading program, it means we have to look at physical developments in a very different way, so the quality of the people improves as the quality of the living conditions improve.

The example of canal redevelopment in Chiang Mai:

In Chiang Mai, for example, when one policy maker saw a picture of hundreds of community people cleaning out the Klong Maekhaa, he said, "Oh, this immense! People are really cleaning this canal! And the canal changed!" But I was telling him, this canal changed the people also. They were not that organized before, but they began working on cleaning out that canal. And through that work, they began to understand that they were able to manage that canal themselves, as a big network process. And then the quality of the canal, and all the communities along it changed dramatically. Through this, the quality of confidence in those canal-side people changed also. We could make this change ourselves! And we are not alone, we are changing it together.

This is the new power of making change to our physical environment, and making change to our lives, at the same time. The two things go hand in hand. But if you only look at the quality of the water, and all you want to do is clean that water or upgrade that canal, and you don't care who lives along that canal - evict the people or push them out of the way. If you do this, what is the meaning of that improved canal? Who is going to use it? Who is going to walk along it? Who is going to get some benefit from it? But if people along that canal are the ones who understand that canal, and they are the ones who develop it, it becomes their canal. And they change with the canal.