1. Key issues to address urban poverty

The question of how to effectively address poverty in rural and urban areas has been at the top of international and national agendas for several decades now, as governments, professional organisations and community groups have searched for "how to" ways of addressing poverty with enough scale, strength and continuity to be effective.

It is now clear that the present systems of economic development and increasing rate of urbanization will lead to more and more income disparity and greater and greater problems in cities unless urban poverty is addressed properly. This brings up several important questions:

- How can effective, self-perpetuating development processes be found which will not only deal with the *symptoms* of poverty but with its *root causes*?
- How can the search for and refinement of such processes become tools which help develop strength, capacity, and understanding in communities of the poor, so that they can become key actors in a process of change?
- What kind of mechanisms could be designed to assist these new development processes and to link together a wide range of groups, operating at different levels of capacity and at different levels of authority?

These are some very critical points which need to be considered and developed much more seriously. This involves re-thinking and experimenting with new ways of working, rather than merely following the conventional approaches within the existing institutional systems. Making small adjustments to old systems, old ways of thinking and old ways of working is not enough to keep up with the rapid social and economic changes that are coming with globalization, or the exploding scale and complexity of problems with poverty in cities.

Since 1992, the **Urban Community Development Office (UCDO)** in Thailand has been experimenting with new development processes to address urban poverty in Thailand. The challenge has been to use the *Urban Poor Development Fund* to generate holistic urban community development by poor people themselves - at a national scale. Today, through the very basic activity of community savings and credit, more than 600 urban poor community savings and credit groups in forty provinces throughout the country have organized themselves into community networks in each city. These community networks have become a collaborative development mechanism belonging entirely to communities within the same constituencies to develop solutions to problems they face, through land aquisition and housing projects, community enterprise, community welfare strategies, community development funds, environmental improvement activities, etc.

At the same time, the community networks have strengthened the negotiating status of poor communities in the city, and initiated innovative and effective collaborations and partnerships with other urban actors in city-wide development projects which affect the urban poor. The community networks have also joined foces with other civil groups in the cities influence the broader directions of city development. This kind of *citizen network* can work as a crucial development mechanism to bridge the gap of understanding which exists between the urban poor and the formal system, and to help balance this crucial political relationship.

The building of such citizen networks has become something of a trend, and has proven to be an effective way of addressing issues of urban poverty - *by the poor themselves.* Besides the experiments with UCDO in Thailand, there have been a number of interesting experiences which show the enormous potential of this new approach in several countries around the Asia region. It is time to make use of the knowledge gathered from these experiments in order to establish a new, forceful development direction in the region which can address urban poverty in our Asian societies much more effectively than in the past.

2. Experiences from UCDO and Thailand

2.1 Urban Poverty
Thailand has over 2,000 slum communities in which approximately two million people, regarded as the *urban poor*, are living[1]. In fact, the true number of urban poor is much larger than that, since many who live scattered outside the slum communities are not counted, but slum-dwellers and squatters comprise the largest groups. 70% of Thailand's urban poor earn their living through the informal sector - the majority as daily wage earners and small traders. The major problems are land and housing insecurity, poverty, rights in the city, access to basic infrastructure, health and education.

2.2 Urban Community Development Office
UCDO was set up in 1992 as an attempt of the Thai Government to take a new approach and develop a new process to address urban poverty. The Government granted a revolving fund of 1,250 million baht (about US$ 32 million) through the *National Housing Authority*[2] to set up a special program and new autonomous unit of Urban Community Development Office to address urban poverty at national scale. The program sought to improve living conditions and increase the organizational capacity of urban poor communities through the promotion of community savings and credit groups and the provision of integrated loans at favourable interest rates[3] as wholesale loans to community organizations. This new *Urban Poor Development Fund* was to be accessible to all urban poor groups who organized themselves to apply for loans for their development projects.

For the urban poor, organizing themselves into savings and credit group is a simple, direct and uncomplicated way of taking care of their immediate day-to-day needs. Savings activities become a tool which links poor people within a community to find ways of working together, from handling simple basic credit needs to managing more complex development activities which link them with the formal system. Savings and credit groups become a significant entry point for a community's own development process, to come together as a community, and to link with external resources. And the *Urban Poor Development Fund* is the resource with which community people develop themselves.

The idea, however, is not simply to provide low-interest loans to the poor. Community savings and credit activities are seen as a means for engendering a community's own *hollistic development*, which should gradually be able to deal with the root causes of poverty. Much more important than cheap loans is the development of community managerial capacity and stronger community organizations which are able to lead various community development processes. It is therefore important that development process include community action planning and the creation of partnerships with other local development actors - especially the municipalities - and to link up with various other local development activities. The process of continuous learning and development within and between poor communities must be the focal development mechanism to address problems of urban poverty, mainly by the urban poor themselves, using the *Urban Poor Development Fund* as their basic resource.

2.3 Community Networking as a joint development mechanism
One of the most significant aspects of UCDO's work has been the process of linking together the urban poor savings and credit groups in the same city and district, or with similar development issues and common interests to form many different *community networks*. Networks have also been organized at various levels - from national, regional, within-city, zonal and district-wise. In fact, no particular format about community network have been proscribed, but the networks have developed according to the interest of the groups involved, in accordance to their own changing context.

We have found community networking to be an extremely powerful platform for larger scale development - a platform which involves a synergy of learning, sharing of experiences, boosting or morale and and inspiring each other. The networks have given Thailand's urban poor groups enormous confidence. Community networking has emerged at many levels and in many forms, and has become the main *community-led* development mechanism of UCDO, in its work to develop a

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[1] Thailand is about 31% urbanized , 60 million population.

[2] It was set up as NHA special program to allow fullest flexibility to work under national organization umbrella but under its own development process and separate Board of Directors.

[3] There are different kinds of loans with different interest rates. Housing loans 3%, income generation loans at 8%, revolving fund loans to community at 10%, Housing improvement at 10%, loans to community networks at 4%, etc.,.
Loans will be granted to the group as whole sale loans allowing the group to add margin of about 5%

national-scale urban poverty development process and to link with other existing programs by the urban poor community themselves.

3. The forms and functions of community networking to address urban poverty

3.1 To start a network
It is always rather simple to start a community network, with a little understanding about urban poverty and its direction of development by people themselves. A gathering of urban poor groups to talk about common issues and common action *almost always* leads to some form of collaboration and networking, and *almost always* leads to further meetings, gathering and eventually to some communual action. Most networks start out being very loose in the beginning. Having regular gatherings, people from diferent communities and different parts of the country learn to understand each other's situation and problems, as well as each other's character before getting into some forms of organization. The form these organizations take usually only emerges out of more concrete interactions, in the process of making decisions or implementing common activities together. *Therefore, it is possible to encourage network formation by trying to set the conditions of communal decision-making and communal project implementation.*

Since 1996, UCDO has collaborated with *DANCED*[4] to develop *Urban Community Environment Activities (UCEA)*, using the programme's *Environment Fund* to allow community networks to make decisions and to implement community environmental improvement projects in a given constituency, with advice from other local actors. The conditions of the program have brought together community groups to work as stronger community network in making decisions, and in promoting, implementing and managing all the development activities involved in any community project of the network. Therefore, each community which is linked to the network has direct access to the wealth of knowledge and experiences from several other community groups and has the chance to benefit from their development activities at the same time.   In this way, all work and all successful processes in any particular community becomes learning source for the whole network. Also, when problems emerge, the network can become a joint mechanism to deal with problem of the members as well.

3.2 Diverse types of urban poor community networks
There are different types of community networking. The basic idea behind a network should be how to create linkages in ways that the urban poor communities control as much as possible. The idea of community networking is not a new one, but the forms of community networks which are clearly controlled and clearly understood by the communities themselves are not too common. Most conventional community networks are led by outsiders, as part of a strategic process that is organized and controlled by government organizations or other outsideorganizations, *for poor people.*

Because of this history of outside control, it is important that community networks be organized from the bottom-up - from the smallest constituency and acting as the base to link with larger constituencies. In Thailand, community networks begin by linking among communities in the same district or the same city, as a basic network formation, then link together at provincial, regional and national levels. There are also community networks which link with each other around the same common development issues, such as networks of communities located on State Railway land, communities along canals, or communities linked by shared enterprises or welfare activities. Each type of community network provides a common platform for communities with common backgrounds or interests to work together to attain their continuous development objectives as well as to negotiate together, as a group, for related structural or policy change.

3.3 Integrated development functions of community networks to address urban poverty
Once communities organize themselves into community networks, a larger community development mechanism begins to emerge to deal with their development in a much deeper and much larger scale, gradually linking to the causes of various poverty problems. Some examples from the process in Thailand are summarized here :

3.3.1 Community network to address land and housing problems

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[4] DANCED (Danish Cooperation for Environment Development) has granted about 1.2 US$ Million to UCDO to organize Urban Community Environment Activities. The Grant has been organized as Environment Development Fund allowing community organizations and community networks to apply through the Local Project Committee.

Most urban poor groups have serious land and housing problems. Insecurity of land tenure and eviction problems prevent the urban poor from accessing their basic rights and in settling their lives in the city properly. Behind this situation, there are large, structural problems of land distribution and income disparity which are part of the present economic system. These structural problems are too great, too difficult and too expensive for any single urban poor person or even for any single poor community to resolve alone. This is the structural point where a community network can play an important role in resolving problems too big for individuals.

In Thailand, several types of community networks are dealing in several diferent, interesting ways with problems of land and housing development. Some of these networks are working to address these problems in the followng ways :

- *To deal with eviction problems :* Community networks can work together to share experiences in how to negotiate in eviction situations, as well as to help negotiate together as a network for more proper alternatives to eviction which acceptable to the poor. Effective negotiation processes can help make an unequal system become a little more reasonable, with more equitably shared responsibilities on both sides of the table. Eviction without sufficient responsibility being taken by those actors who profit from eviction will cause urban poor problems much worse and more complex.

- *To link communities with the same landlord or communities affected by same development policy to work together for better, clearer policies and alternatives :* There are cases where communities located on land under the same owership (such as community networks on State Railway Land, communities on canals, communities under traffic bridges, etc.) link themselves together to search for their own alternatives and to develop a more productive negotiating status with landowners. Some of these networks have not only slowed down unnecessary eviction problems but have worked together with landowners to create better, clearer policies for slum redevelopment.

- *To work together within the same city for action to achieve secure land and housing for all urban poor communities :* In the past, problems of insecure land and housing have always been dealt with by people alone, or by poor communities alone - *in isolation*. So it has been difficult to solve such big problems, which require considerable effort and coordination to attain a desirable solution for just one single case. With the existence of community network, if communities can work together to understand the city-wide aspects of land and housing and related land and planning policies and can carve out a new position for themselves within the urban formula through their coordination and negotiation capacity. And it is interesting to find that many communities in many of the networks have been able to resolve their land and housing problems together - *permanently*. There have been examples in Thailand where urban community networks have made city-wide community surveys, have done research to understand the different status and related factors involved, have made a plan what to do for all communities in their network and have started their negotiations with different agencies *as a group. This new direction of development is very important for future land and housing development for the urban poor.*

- *To form network of Community Housing Cooperatives :* There is another community network which links communities involved in new housing development activities or resettlement to new locations. This kind of network can help member communities to negotiate for some adjustments of related rules and regulations as well as apply for tax exemptions, since urban poor housing development should be supported by the state, and regarded as a non-profit social housing development process. Moreover, the Cooperatives Community Network has provided a platform for learning and sharing of experiences and knowledge in implementing difficult, formal housing development activities.

3.3.2 Community network to develop quality savings and credit activities as well as community joint development fund

Community savings and credit activities comprise an important basic development mechanism and become a community's financial resource base for self-managed poverty development by community people. If savings and credit activities can be developed and linked with external process properly,

they become a link to other resources and a builder of community capacity to strengthen and increase income earning and crete better job opportunities. It can also help urban poor groups improve their financial status and back them up in negotiations with market organizations to increase earning capacity. In Thailand, there have been some interesting developments within community networks around these aspects :

- ***Community network to help develop quality of savings and credit groups of member communities :*** Communities have regular meetings to report on the situation of savings and credit activities in a community. They share experiences and learn how to work effectively, how to deal with non-repayment problems, how to work on accounting, etc. Several networks also try to bring more groups in the network by working together to set up new saving groups in their area. There are also many cross-network learning and through exchanges and exposure visits.

- ***Development of Network Fund :*** The development of the *Network Development Fund* has become a link and a financial support mechanism among community saving and credit activities of network members. UCDO has recently begun making loans to community networks to allow those networks to develop their own *Network Funds* to give loans to member communities as well as to finance community network activities.

3.3.3   Community network to develop community enterprise activities

One of the main reasons why people are poor in the first place is because they are entrepreneurially scattered and isolated, not organized in such a way as to compete with the larger and more influential private enterprise sector, and so continue to earn very little. In the communities, where the poor have many different kinds of jobs, it is not easy to organize people with similar job together. This is an area where a community network can be very effective, and the experience in Thailand illustrates several interesting ways in which community networks can help develop community enterprises :

- ***Community Networks take subcontract directly from the Bangkok Municipality :*** In 1999, a number of community networks in Bangkok have been able to win several subcontracts from the BMA worth approximately 30 million Baht (US$ 0.8 million). The subcontract projects have included production of 350,000 school uniforms, collection of garbage within communities and in small lanes, repair of roads and sidewalks, clearing up canals and drainage ditches. Community networks propose (or tender) for those projects and organize those activities with skilled community members. The *Handicraft Network* was also awarded a large contract to produce bronze souveniers for the Asian Games, last year in Bangkok. This new level of community enterprise and subcontracting activities could only have been reached with the community savings and credit activities and with loans and support from UCDO. There is enormous potential for the development of more diverse community enterprise activities by community networks in future.

- ***Community networks plan for economic and financial development for their urban poor members :*** As with community enterprises, networks have also organised themselves around planning for land aquisition, house building, income generation and family financial planning. Through these networks, linkages with local job opportunities and business sectors can be tapped in a more systematic way. Community networks can act as important promoters to raise the status of many kinds of jobs and can push for better income and better working conditions for their members, using support from stronger economic groups, the municipality and academicians in the same constituencies.

- ***Networks of the same professions :*** In the case of Thailand, networks have also been formed by people with the same jobs, such as taxi driver cooperatives and community handicraft cooperatives. These kinds of job-specific networks can link together to promote certain policy changes for their particular professions.

3.3.4   Development of community welfare system by community networks

The development of a community safety net to deal with the very poor and disadvantaged groups within urban poor communities, as well as the development of a basic welfare system for urban poor groups are very crucial. During 1999, UCDO has coordinated with the *Social Investment Fund* to develop a community welfare system using the community network as the central organization among

member communities. The process began with network meetings in which each community identified their own particular welfare problems and dscribed the needs of their own community's disadvantaged groups. Then each community conducted its own survey to assist in concrete planning of welfare activities based on present realities. After that, there was meeting to talk about the concrete types of welfare activities could be undertaken - How to do it? How to work? Who to work with? How to coordinate? How to budget? How to organize into several kinds of welfare funds? What should be relationship between the network and community and target group? As a result of this process, most urban poor community networks in Thailand have now organized their own welfare funds to support some of the following welfare activities :

- Scholarships for school fees and welfare revolving fund loans to pay school fees for those who are able to repay, with flexible terms of repayment
- Funds and some grants for elderly citizens in need
- Funds for medicines and hospital fees in cases of illness
- Grants to rehabilitate drug addicts
- Small revolving fund loans for income generation activities for those very poor families

3.3.5 Development of urban community environment activities by community network and local partnership committee

Since 1996, UCDO has coordinated with *DANCED* to organize *Urban Community Environment Fund* for urban community environment projects organized by community organizations and community networks. The program has been deliberately designed in such a way as allows community groups to be the main implementators, with the close support from and management by community networks. The plan now is to link the network together through a process of problem identification, decision making, cost-sharing, budget preparation, and project implementation in *Local Project Committees*, implementation, maintenance, management etc. As a result, about 200 projects have been implemented in the past 2 years. These environmental improvement projects, which include community centres, drainage, water supply, bridges and paved walkways, are much cheaper and much faster in the implementation than most government projects. The most important aspect of these projects is that they not only improve the environment of poor settlements, but they help strengthen the network and to build partnerships with local administrations.

4. Conclusion

If any kind of development direction is to multiply the development capacity of the poor to address urban poverty effectively and realistically, it is important to allow multiple mechanisms by the urban poor themselves to emerged and grow. Citizen networks will become a more a more significant development mechanism to link, to provide communal direction, to learn together and to gradually dissipate the cionsiderable constraints from several structural problems which work against the poor. Whether or not this development direction is possible depends largely on the following ingredients :

- The belief that urban poor people can think and do things, that they have strength in their own way and can organize themselves to develop their activities together.
- The pro-active, positive approach which makes room for opening up new possibilities,
- Community savings and credit activities to be developed as the backbone for a development process, as long as it is viewed clearly as a tool to be used by the poor to address their problems together, not in isolation or as an end in itself.
- Belief in the direction of making linkages, among urban poor people, among communities, among networks, between networks and other development organizations, bearing in mind to develop from symptoms appeared into the causes of those problems
- To develop proper and participatory community and network organizations, those organizations have to develop new skills and capacitioes to address problems of their poor members effectively andalso learn how to work with other related organizations and municipalities.