

**Land for housing the poor - by the poor:  
Experiences from the Baan Mankong nation-wide slum upgrading program in Thailand**

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**1. Introduction**

**1.1 A new practical approach towards land for housing the poor**

The conventional belief among most Asian governments and international development institutions is that there is simply not enough urban land for housing the poor. At the same time, slums and squatter settlements in Asian cities keep increasing in size and number. The fact that all those millions of poor people continue to find pockets of land to squat on means that land for housing the poor *is in fact available* in our cities - but the land they find to live on doesn't belong to them, it isn't legal and it isn't secure. So it's fair to conclude that the problem is not with the *availability* of urban land for housing, but with how the *management* of urban land is failing to deliver this most basic component of decent housing to the city's poorer citizens, bringing about the anarchy, the illegality and the social consequences of slums, which everyone deplores. Slums are a direct outcome of mismanagement of land and of a city's failure to address the basic housing needs of the poor.

**The question of land is nothing new.** In the early stages, the strategies of building public housing on public land or expropriating private land for social housing may have had some successes. But after these kinds of projects slowed down and land problems increased, the basic thinking on land has persisted in following the same assumption that *land for housing the poor should be provided by the government* - through the use of public land, or through legal means by expropriating private land or purchase land for resettlements so far away or regularizing the land occupied by existing slums.

In most Asian countries, land has increasingly become a commodity to be bought and sold to the highest bidder - especially urban land. It's no surprise that this commercialization of land and control over both public and private land by the ruling elite has dampened the enthusiasm for most governments to set aside urban land - either public or private - for housing the poor. As a result, the strategy of government providing land for social housing is more or less defunct across Asia. So if the old assumption that governments should provide land isn't working very well, how *can* we get urban land to those who are in most need of it? What kind of new strategies can be developed to get much-needed land for poor people's housing in sufficient quantities and with sufficient speed to meet the scale of housing needs Asian cities are facing today?

**One possibility is that poor people themselves - on a very large scale - can become key actors in the process of acquiring land for their housing.** Because poor people are on the "*demand side*" of the housing equation, they themselves encompass the large scale of the problem and they are the ones with the most urgent motivation to resolve these land problems and the most powerful drive to find decent housing for their families. That drive for change and that enormous energy has not factored into housing policies or programs in the past, where the poor have continued to be regarded only as passive "beneficiaries" or "recipients." The question is how can we support that *huge people's force*, and what tools to provide poor communities so that their combined energy can be channeled into resolving our city's serious land and housing needs - according to their own requirements and conditions and on a very large scale?

This paper describes the attempts being made by the "Baan Mankong" nation-wide slum upgrading program in Thailand to demonstrate and scale-up slum upgrading activities, in which community people themselves secure the land and develop various kinds of housing for themselves on that land. The paper will look particularly at three important aspects of how land is dealt with in the upgrading program, based on this *demand-driven* and *community-driven* approach :

- **How to GET land :** The strategy adopted in the Baan Mankong Program turns over the task of identifying and acquiring land for housing by communities and their city-wide networks. The accessible and flexible finance which the program offers enables poor people in communities around the country to search, negotiate for and acquire public or private land under variety of purchase and lease-hold arrangements, often in collaboration with their local authorities. Because communities themselves are exploring different kinds of land options in their cities - in their own ways and according to their own requirements and conditions - the upgrading program is yielding a variety of unconventional secure land options for the poor.
- **How to KEEP that land :** In many slum regularization schemes, public housing projects and even people's housing projects in the past, as soon as land has been secured and the housing project is finished, poor people start selling off and moving out. Communities end up fragmenting, since land prices in the project increase tremendously and poor communities - even newly secured ones - are selling and accepting offers

from market buyers. In the Baan Mankong Program, the strategy of collective land tenure has been adopted to ensure that poor people can keep the land and secure their housing and sustain themselves as a community.

- **How to build a new strong community and social support system on that land :** Unfortunately, the poor do not stop being poor the instant they get secure land and housing. The Baan Mankong Program is also searching for ways by which the relationships that land creates and the conditions by which land is found and held help build new social systems in poor communities to link people together and to spark off a variety of collective development activities for addressing other needs and other aspects of their lives in a more integrated way. In these ways, the housing project is not an end in itself, but the beginning of more community development, in which a group of poor people can live together and can continue to address the real issues of their poverty, as a matter of course.

## **1.2 Land is a fundamental aspect of holistic upgrading to alleviate the root causes of poverty**

**Land is a part of the larger whole :** In Thailand, as in so many other countries, community upgrading has traditionally been dominated by different ministries, local authorities and government departments, one looking only at the land issue, one looking only at finance, another looking only at basic infrastructure and still others looking only at social development, women's welfare or income generation activities. This is the conventional sectoral approach we see in so much of mainstream development today, which chops up all the highly-interconnected aspects of a poor community into pieces and deals with all of them separately. And this sectoral approach has failed to address problems of poverty in any significant way.

Slums may be created by poverty, but the causes of poverty are much more complex than simply the problems of land insecurity. It is important to look at the issue of land as one part of the spectrum of complex and interconnected field of development issues that poor people face and that poverty reduction must encompass. The issues of land should not be taken as a separate development issue, in isolation, as it tends to be done in policy and in academia.

To tackle *all aspects of poverty* in a more integrated way is to bring the whole slum community into a development process together, *as a group*. A community works like a vital protective layer and a source of horizontal support for individual poor families who may have no strength on their own. It is important that land security brings poor people into a system of working together. How land ownership system can transform relationships of people within slum communities, so they have changed from just the collection of many individual poor families into a more collective mutual support development unit. The allocation of land is a vital parts of the upgrading and must be done in such a way to support and contribute to other development systems in the community. The upgrading has changed the status of land from being "dead capital" to being alive as a real communal asset, which can be used as collateral for housing or land loans for all members of the housing cooperatives.

In these ways, the collective management of land goes along with the community's longer-term development and for meeting poor people's real needs. A community's savings and credit group, for example, which provides the financial mechanism for poor people to buy land and repay land loans together, can also act as an important source of community fund for income-generation and emergencies, and can act as a bridge between *formal* outside resources and the *informal* finances of poor community members. The community welfare funds are another mechanism by which community can look after their vulnerable members. Similarly, the process of planning a new community in smaller social clusters, which is an important part of collective land planning, creates smaller constituencies and mutual support systems within communities.

And it is important to look at the community as a complex survival system for poor people, of which there are many parts which are interdependent. A good community is a community where poor people can live their lives with security, with dignity, with freedom from the threat of eviction and with strong social support structures to help develop their lives in different ways. If these survival systems of poor people are to be viable and strong, then it's important that external interventions like an upgrading program with careful land arrangement can strengthen people and better equip their communities to address all these separate elements as a matter of course.

## **2 . How the Baan Mankong Program works**

### **2.1 A national program support by government**

The Baan Mankong Program was launched by the Thai government in January 2003, as part of its efforts to address the housing problems of the country's poorest urban citizens. The program channels government funds, in the form of infrastructure subsidies and soft housing and land loans, directly to poor communities, which plan and carry out improvements to their housing, environment, basic services and tenure security and manage the budget themselves. Instead of delivering housing units to individual poor families, the Baan Mankong Program ("*Secure housing*" in Thai) puts Thailand's slum communities and their community networks at the center of a

process of developing long-term, comprehensive solutions to problems of land and housing in Thai cities. When the upgrading program was launched, it set a target of making 200 Thai "cities without slums" and upgrading the land and housing of 300,000 poor families in 5 years.

As part of this unconventional program, which is being implemented by the Community Organizations Development Institute (CODI, a public organization under the Ministry of Social Development and Human Security), poor communities work in close collaboration with their local governments, professionals, universities and NGOs to survey all the communities in their cities and then plan an upgrading process which attempts to improve all the communities in that city. Once these city-wide plans are finalized and upgrading projects are selected, CODI channels the infrastructure subsidies and housing loans directly to the communities.

This housing program is the result of a learning process which has been developing over the past thirty years (and particularly in the past ten years), starting with building community savings activities around the country, then forming and strengthening large-scale networks of poor communities, providing housing loans to urban poor communities and using people's managerial skills to deal with housing problems at a city-wide scale.

## **2.2 Providing flexible finance for land and housing development directly to communities**

The Baan Mankong program provides subsidies which allow communities to upgrade their infrastructure and living environments, according to priorities they set, using budgets they manage and technical assistance they select themselves. The size of each community's subsidy (US\$ 780 - 1,100 per family) is calculated by multiplying the number of households by per-family infrastructure subsidies for different kinds of upgrading. CODI channels the subsidies directly to communities, which implement their own upgrading projects. After five years, virtually all urban poor communities across the country now know exactly how much subsidy they can access if they are able to negotiate for secure land and to plan for their new housing projects. These subsidies all come from the Thai government, to which CODI has to make proposals (through the Ministry for Social Development and Human Security) for each year's upgrading budget.

Soft loans are made available from CODI's revolving fund (which has a working capital of about US\$ 87 million) to communities to purchase the land they already occupy or to buy new land and to improve their existing houses or build new ones after upgrading or relocating. The interest rates of these loans are subsidized by the program, so loans can go to the community cooperatives at 2% annual interest (the non-subsidized CODI housing loan rate is currently 4%). The ceiling for both land and housing loans is 300,000 Baht (US\$ 8,571) per family, and housing loans alone usually go no higher than 150,000 - 200,000 Baht (US\$ 4,285 - 5,715) per family. All loans are made to the community cooperatives, not to individuals, and the maximum repayment term is 15 years. The cooperatives then on-lend to individual members, usually adding a 2% - 3% margin on the interest to create a slush fund for covering cases of unsteady loan repayments and to fund other community activities, expenses and some welfare purposes.

In the Baan Mankong's development model, community organizations need to be able to develop financial management capacities as a group. To be eligible for joining the upgrading program, a community has to set up a savings and credit group and all the poor families in the community have to be members of the saving group. In order to develop their land and housing projects, communities are also required to register themselves as community cooperatives, in order to establish a collective legal entity to take housing loans, receive other development subsidies and to buy or lease land collectively. The savings groups and the community cooperatives are two key mechanisms which help communities deal with all aspects of the project - as well as many other development issues - as a group. This group-based development model also ensures that communities are the owners of their own housing projects and provides enough flexibility to ensure that all urban poor households can be members.

## **2.3 Land tenure security is one of the most important aspects of the upgrading program**

The development of land tenure security is one of the most important aspects of the upgrading process in Thailand. Over 90% of the communities involved in the program end up with dramatically improved land tenure security, most moving from absolute informality and illegality to the long-term security of land ownership or land-lease. Land tenure security is one of the most important preconditions to changing the status of urban poor families from being illegal and marginalized to being full, legitimate and secure citizens, and it is also to ensure for all the necessary investments that go into upgrading and developing a secure community.

According to what people want and are able to negotiate, the land tenure solutions communities work out can take many forms, including purchasing the land they already occupy, buying other land nearby, negotiating to buy or lease a portion of the land they already occupy through a land sharing agreement or getting a long term lease to existing or nearby land from a variety of public land-owning agencies. The tenure arrangements these communities are able to negotiate might include joint land ownership under their community cooperatives or cooperative lease contracts that are either long term (30 years), medium term (10-15 years) or short term (3-5 years). Only 5-10% of the Baan Mankong upgrading projects so far have been developed under less secure occupancy rights on public land. The housing communities decide to develop on their newly-secured land can

also take many forms, including *in-situ* upgrading, reblocking, complete reconstruction, building flats or apartments in the same place or reconstruction on new land.

## 2.4 The program is implemented by communities in collaboration with urban partners

The upgrading process in Thailand follows a very decentralized model, in which each upgrading project is planned and implemented by the community, But these upgrading projects are all implemented in close collaboration with the local authorities and supported by a variety of other urban development partners. They are also well-linked through community-network managed systems of learning and mutual support at city, regional and national level.

At the city and regional levels, there are networks which link urban poor communities together and provide vital horizontal mechanisms for communities to help, support and learn from each other. Community networks can also intervene when there are internal problems, balance the internal managements systems in each community and open up each community's upgrading project for others in the city to see and learn from. In each city a joint local committee is established, which includes representatives from the local authority, local NGOs and development agencies, the local community network and local communities. All these different stakeholders on the committee sit together and help examine and develop all the projects.

This is a technique of networking between different sectors in the city and of opening up the upgrading process so that each upgrading project is not done in isolation but becomes an open project which belongs to the whole city. When all the upgrading projects in the city are implemented in this open way, with everyone knowing about them and so many stakeholders involved, it becomes an important checks and balances mechanism.

Each city starts by conducting a city-wide survey of poor communities and inviting as many communities and urban development partners to work together as possible. Some cities have organized city development committees with the mayors or senior councilors serving as chairpersons, while other cities have organized a looser style of working groups to work together. Either way, the idea is to open up the slum upgrading work so that as many key development agencies and local actors are involved as possible. But the communities themselves are always the key actors, and the budget for upgrading is only transferred from CODI directly to the communities, with the agreement of city development committees.

Once a city's joint committee has agreed to an upgrading project, the proposal is passed to committees at the regional and national levels for consideration and approval. These regional and national committees are also mixed, with community leaders, government officers, local government representatives, academics and CODI staff members.

### Baan Mankong Cumulative Performance Figures : January 2003 – March 2008

- Total number of projects / communities approved : **512 projects, involving 1,101 communities** (*many projects involve several communities*)
- Total number of cities and districts involved in the process : **226 cities/districts in 76 provinces**
- Total number of families affected : **53,976 families**
- Total budget approved : **3.642 Billion Baht (US\$ 104 million)**
  - Grant for infrastructure upgrading : 1.614 Billion Baht (US\$ 46.13 million)
  - Loans for housing and land : 1.829 Billion Baht (US\$ 52.26 million)

### Type of upgrading :

Type of upgrading	Number of communities	Number of families	Percentage of total
1. Onsite upgrading and reconstruction	443 communities	34,516 families	63.95 %
2. Nearby relocation (within 2 kms)	237 communities	7,393 families	13.70 %
3. Relocation (beyond 2 kms)	329 communities	11,997 families	22.23 %
4. Shelter house for homeless, elderly and the poorest	1 community	70 families	0.13 %
<b>TOTAL</b>	<b>1,010 communities</b>	<b>53,976 families</b>	<b>100%</b>

### Status of land tenure security, after the project :

Status of land tenure security after Baan Mankong	Number of communities	Number of families	Percentage of total
1. Permission to use land	102 communities	5,104 families	9.46 %
2. Short-term lease (less than 5 years)	59 communities	4,413 families	8.18 %
3. Long-term lease	226 communities	20,980	38.87 %

		families	
4. Cooperative land ownership (with title)	623 communities	23,479 families	43.50 %
<b>TOTAL</b>	<b>1,010 communities</b>	<b>53,976 families</b>	<b>100%</b>

### 3. Land acquisition by people

#### 3.1 Conventional approaches to land for housing the poor

In most conventional approaches, the task of acquiring and providing land for housing the poor is something that only governments should do, through legislation and acts and proclamations: the *government* should expropriate private or publicly-owned land in cities for social housing, the *government* should include land for low-income housing in their urban development plans, the *government* should regularize land already occupied by informal slums, the *government* should make regulations that require that private sector developers set aside certain portions of their developments for social housing, etc. Many of the prevailing land-acquisition methodologies and socialist-minded activists and development institutions share this only assumption that *governments* should provide land for the poor. All these things that governments *should do* to provide land are extremely important and should be done and would be very good for the poor - *if they ever actually happened*.

**But the reality is that governments across Asia have not been able to provide sufficient land for housing the urban poor, through legal or legislative mechanisms.** In the overwhelmingly market-driven systems that characterize most Asian cities today, it is no easy thing for governments to acquire decent, well-located land in appropriate locations for poor people's housing, or to even use public land for social housing purposes - the market pressures to develop that land in more profitable ways are so great, and the decision-making power about how land is used continues to be concentrated at the top of the economic and governance ladder who seems to share the views of commercial development more with private sectors. Even the best housing programs and the most well-meaning politicians and bureaucrats will have a very hard time competing with the land developers and the forceful economic development mind-set that imbues all the layers of urban development today.

***So there is great need for new way of doing, new way of land expropriation by people***

#### 3.2 Land acquisition by communities on a large scale, with support from urban partners

The flexible finance which the Baan Mankong Program offers is giving people the power to search and negotiate for alternative land themselves. Under the program, it is the responsibility of each community to negotiate themselves for secure land, by buying or renting the land they already occupy, or elsewhere. Also the way in which all key urban development actors are able to link together with strong support from Municipalities, the search for possible land of urban poor communities in the city has built new urban alliances and new sets of supporters to help poor communities to negotiate with both public and private land owners.

As a result, a great deal of land searching is going on around the city and communities are in an active process of land lease and purchase negotiations simultaneously with all kinds of public and private land-owners. Even in cities where local authorities have long insisted there is no land for the poor, communities are managing to find pieces of secure land to buy cheaply or able to lease.

All this wheeling and dealing to get secure land could be called a new kind of urban land reform for poor people's housing. But it is a type of land reform that is highly decentralized, informal and highly unconventional, and it is being implemented by the people who are themselves in greatest need of secure land. What is extraordinary is that even in a context where the laws are clearly stacked against the poor, and where the country's legal system and land politics continue to work in favor of the haves over the have-nots, these land negotiations are still happening on a very large scale - *and they're succeeding*.

**Poor people who are living on somebody else's land, without any formal rights to that land, can be very powerful actors in the process to expropriate land for themselves.** Among the whole spectrum of actors involved in housing, the poor themselves are the ones with more drive, the most urgent needs for change and the most direct stake in finding solutions to their poverty and insecurity. And it's not just one single community finding land, but with their city-wide networks of fellow communities and friends in various sectors, which form important political allies, there find a lot of information about what good tract of land is available where in the city.

Instead of taking on a struggle against inequities in the legal system, or pushing for this act or legislation, the tools the Baan Mankong Program offers poor communities allow people to sidestep that only conventional battle, in which the poor would probably be the losers. Instead, they can undertake land reform right away, in practical ways, by putting themselves in the driver's seat and negotiating or trying to find alternative land nearby in the city,

using their knowledge of their cities and with the tool of CODI's flexible finance at their disposal. In this version of land reform, people work it out and they believe they can do it because they see all their peers doing it.

The key point is that the poor have the power to search for land themselves, to explore the various land options, to negotiate and to choose the option that works best for them. They may choose a piece of private land because it was the cheapest they could find, or they may choose a very small piece of land and decide to develop a much denser housing project there, because it is so centrally-located. Others may opt for leasing a piece of government land because the nominal rent they would have to pay would be much cheaper than buying private land. All these options are open to the poor, and the poor are the ones who have the power to decide.

And because the people going into this system of land acquisition are very poor, they have to do it very delicately and carefully. Because they are poor and because their way of living is often fragile and their incomes are low and uncertain, all these factors have to be brought into the consideration of what land option works best for them and for their limited capacities to repay. In some ways, this land acquisition process is like a university for the poor, in which many communities are learning what kind of land options are available and what options work best for the economic and social realities of their real lives. Not all communities are the same, and not all cities have the same land options, so there is a great deal of variety in what kind of secure land arrangements communities are able to work out in their city. Once a community understands what its land options are, there is a lot of discussing and prioritizing and learning - within the community and between communities within the city network - before they select.

When communities take the initiative in negotiating for secure land, it pushes them once and for all out of the passive victim mode and make urban poor an active actors and more the upper hand. Because all of the sudden they're exploring options, they're the ones doing the searching, the selecting, the negotiating and the deal-making. Instead of waiting around passively for the eviction to happen, or somebody to give permission or to advise what to do, or for the relocation to who-knows-what-godforsaken land to be announced, poor communities around Thailand are exploring their own territory and drawing up their own lists of land options. ***In these ways, communities are changing the game to be on their own terms.*** They search for land that is possible and that works for them, they choose the land and they negotiate the terms, and then they develop their housing and community plans on that land - all because they know they have the flexible financial resource at their disposal and they have their togetherness as a community.

#### **Finding secure land using an "army of ants"**

When you have flexible and reachable finance, and when people are confident this finance is available and open to them to deal with their insecure land and housing needs, there is room for all kinds of variety in how those needs can be met. If people can negotiate to buy or lease the land they already occupy, great. And if they can't, then they can find land elsewhere that is available and suitable and cheap and not too far from their existing settlements. There are so many kinds of land in the cities: temple land, municipal government land, central government land and many types of private land.

Because people don't have a lot of money, and because the Baan Mankong program sets rather low ceilings on how much communities can borrow for land and housing, people need to be very, very creative. But once they come together as a community and as networks of communities within cities, the possibilities for finding alternative land multiply fast and the resourcefulness and energy start pouring out.

Some staff in CODI have described this process as being something like a very large army of ants being let loose across the country. These thousands and thousands of ants are very busy scanning their local territory, searching for available land and coming up with some very interesting pieces of vacant private and public land that have been "hiding" in the cracks of some 250 towns and cities - land that government agency or NGO or researcher might ever have found or thought of as possible.

And this army of ants, with its colonies in all the different cities and provinces, is very well connected. There is a good grapevine of ideas and knowledge about land which is constantly being shared and transferred, and this means possibilities increase exponentially. Some communities may feel more secure if they can get cooperative title to a piece of land and so may negotiate with private land owners to buy various kinds of land. There are many categories of private land rights in Thailand, running along a spectrum from full freehold land title (which is the most secure) to user rights (which can be converted later to full title, after a certain number of years of occupation). The more secure the title, the more expensive so many poor communities are opting to buy cheap land with lighter form of rights that can be upgraded to full title later.

But many communities are also negotiating some very interesting land solutions on public land, under a variety of public land owning agencies. In many of the smaller towns and cities, communities prefer to negotiate lease contracts on public land, where it is possible for them to negotiate very cheap land lease rates, cheaper even than the cost of purchasing cheap private land in those towns and cities.

### **3.2 How do communities get land in the Baan Mankong Program?**

**A. With support from their savings groups :** The first step in acquiring land for housing begins even before a community starts its search. People first have to start saving, because through saving, a community develops its own internal financial systems and capacities. Savings makes community members pool their own resources together first, so they have their own fund and financial management capacity to manage the funds or loans for land acquisition and housing project together. A poor community's savings activities gives its members the confidence to start moving ahead to the question of how to get land, knowing that there is external finance available to back them up when they do find land.

**B. With support from their community organizations :** The community organization within each community and the larger city-wide community network in a city help people to link together, work together and bridge their development plans with other actors in their cities or districts. In these ways, the force of the poor is not limited to one or two communities, but encompasses several communities which are linked together, and these linkages push them well beyond the small capacity of one person or one family or even one community. With a wide-reaching and well-connected community network in a city, each member community is no longer isolated and struggling on its own, and this becomes a very important element when it comes to searching for possible land and to jointly negotiate for it.

**C. With support from their urban partners and allies :** It is important for urban poor communities to build good alliances and partnerships with other development partners in their cities, such as local government agencies, development institutions, universities, local NGOs and architects. These alliances can become crucial to help negotiate for desirable land once it has been identified or selected. Communities need to build stronger negotiation strength and capacities with their city allies.

**D. City-wide survey and planning for available land for all slums in the city** It is important that the planning of possible land be implemented simultaneously for all or as many slum communities in the city as possible. So the negotiation for existing land lease, for new possible land to buy or for new possible vacant plots own by public agencies should be implemented together in concert. This will generate a movement and learning how to do to all actors involved. Sometimes, some slum communities can move to stay together or some parts of some slums can stay some can move and what are all available land to accommodate all the various possibilities.

**E. With support from accessible, flexible finance :** The availability of finance becomes an extremely important trump card in their negotiations for land, whether these negotiations are conducted with public land owning agency or a private land-owner. The finance works like a guarantee for skeptical agencies and land-owners that the project can really happen, and allows communities to bargain more realistically.

### **3.3 The quality of land keeps getting better and land options keep expanding**

As the Baan Mankong Program continues, we are seeing people's land negotiations getting better and more effective, their land choices getting better and more appropriate. In the early stages of UCDO, ten or fifteen years ago to provide land and housing loans to communities, communities almost always chose to buy big tracts of undeveloped land outside of Bangkok, far from jobs, schools, transport networks and everything. In the minds of most communities and government agencies, this was the only form "resettlement" could take and many resettlement theories are still based only on this approach. When the Baan Mankong process began in 2004, many cities experienced this same problem. But because the negotiations for land suddenly multiplied into a wide scale, the learning and experiences also multiplied and were shared through a constant process of exchange visits, seminars, meetings and ground-breakings. And gradually, the quality of land communities were choosing and the creativity with which they were finding better land and better negotiation began to spread around and learned. Nowadays, the projects, most of them are better: good land, good location, good price, good land-use planning, better community participation process.

### **3.4 Cooperation from public land departments**

**Using public land for housing the poor :** When poor communities negotiate with public land agencies and are able to build some initial housing projects or upgrade some existing communities, it is an important breakthrough to convince these public agencies new possibilities. In the third and fourth years of the Baan Mankong Program, we are seeing increasing numbers of examples of good cooperation with government land-owning departments, after gradually proving to these agencies that commercial exploitation is not the only reasonable use for public land assets, but that decent new housing for the poor, which allows them to develop themselves and improve their lives, is also reasonable and socially equitable way to use public land resources. Through the upgrading program, public land upon which informal settlements have been transformed into "developed land" which generates a modest rental income. Many of these public land-owning agencies are realizing that by giving long-term leases to poor communities, and it works properly, they can help provide housing for people who can transform their vulnerable and dilapidated living conditions into proper decent communities. Here are a few details about cooperation on land belonging to some of the key public land agencies :

**A. Treasury Department :** The majority of public land in Thailand is under the control of the Treasury Department, Finance Ministry, so this is an extremely important public land-owning agency for urban poor communities. Cooperation with the Treasury Department on Baan Mankong has been very good. In the early years of the upgrading program, CODI signed an MOU with the Treasury Department to cut land rental rates in half and give longer-term lease contracts to many communities on Treasury Department land. Then in 2006, the process spread out to include all of the Treasury Department's provincial public land offices, which are now routinely granting 30-year renewable leases to poor community cooperatives upgrading or building new communities on their land, at fairly uniform, nominal rates. In early stages, it only started on communities squatted on Treasury Land but afterwards, it is more and more possible to negotiate for new vacant land to be allocated for urban poor housing. Many of the provincial land offices are now even proposing the community networks and CODI with good offers of un-used parcels of public land under their control for developing relocation projects, in cases where other communities or scattered renters and squatters cannot upgrade on site. Also, in many old communities on Treasury Department land, where some people have individual land leases and others don't, the communities are linking together through the Baan Mankong program, forming cooperatives and renegotiating new, long-term leases as a community cooperative and then upgrading or reblocking their settlements in situ.

In the occasion of World Habitat Day Event in 2007, ESCAP had granted special recognition plaque for the Treasury Department for the very positive contribution for land for housing the poor in Thailand from the institution active participation in the Baan Mankong upgrading program.

**B. Crown Property Bureau :** The Crown Property Bureau (CPB) is another very big landlord of slum communities particularly in Bangkok. CODI has signed another MOU with CPB to provide long-term collective lease contracts to 30 informal communities in Bangkok, in which the bureau asked CODI to help organize on-site upgrading projects with 15 year lease. The Baan Mankong budget for five of these communities has already been approved and work is starting. Three of these projects will be land sharing projects.

**C. State Railways of Thailand :** The State Railways of Thailand (SRT) has always been one of the most difficult public landlords. In 2006, CODI signed an MOU with SRT to allow 14 squatter communities on railway land to upgrade on-site, with a long-term (15-30 year) cooperative leases to the land. Now CODI has signed a new MOU with SRT to allow another 100 squatter communities on SRT land around the country to upgrade on-site with a long-term (15-30 year) cooperative land leases. Because the SRT has so far felt uncomfortable leasing the land directly to these communities, like the other public land owning agencies, they have asked CODI to act as an intermediary. So the land for all these projects is being leased to CODI, which then sub-leases to the community cooperatives.

**D. Buddhist Temples :** Control over the enormous land assets of Thailand's thousands of Buddhist temples has recently been partially centralized. When communities on temple-owned land negotiate directly with their temples, they can get leases of no more than three years. If they want longer leases than that, they have to negotiate with the central government's National Buddhist Department. The Wat Potee Wararam Community, in Udon Thani, was the first community to successfully negotiate with this agency to get a 30-year cooperative lease. Now that there is a precedent, it has been easier for other communities to negotiate similar land leases.

**E. Waterways Banks Department :** Many of Thailand's thousands of canal and river-side communities have squatted on the narrow strips of leftover land between the canals (controlled by the Irrigation Department) and the internal land (controlled by various public and private land-owners). The central government's Waterways Banks Department, which controls these swampy margins, has in the past been a notoriously difficult agency to deal with, and the answer to requests for secure tenure has always been no. But now, in an increasing number of possible precedent-setting cases, these settlements have been successful in negotiating long-term leases.

#### **4. Collective land in Baan Mankong**

##### **4.1 The collective land requirement in Baan Mankong upgrading projects.**

All communities taking part in the Baan Mankong Program have to set up a community cooperative, which becomes the legal entity that is required to buy or lease any land collectively and to receive CODI loans (which can go only to cooperatives, not to individuals). The rule is that the land tenure must remain collective during the 15 year period when communities are repaying their land and/or housing loans. After that, each community is free to decide for itself what to do about the land. Most communities that are leasing public land will continue with the collective lease through their community cooperatives. But communities that have bought their own land will then be free to decide for themselves whether to keep their land under the collective ownership of the community cooperative or to divide it up into individually-owned plots, with the community cooperative managing only the common areas.

By the time communities have completed their housing project and repaid their loans, they will have already been living together for a long, long time, they will have set up many committees to manage different aspects of the project and will have organized many activities together. 15 years of living and managing all these communal activities together is probably sufficient for people to build a firm culture of doing things together as a community. So when the question of whether to continue the cooperative system or to individualize the land ownership comes up, the decision will be made by the members of a mature cooperative.

**When the program first began, the collective land requirement was not that easy for people to get their minds around, because the prevailing** - indeed the only commonly known - system for obtaining secure land tenure in Thailand is individual land title or individual leasehold. This was something new and outside the prevailing system of land mostly being privately owned and sold and used as individual asset or collateral to get loans. But after the upgrading program started and the concept of collective land became clearer to people through a growing number of actual projects, the collective land strategy was quickly absorbed and embraced by the communities around the country, the process went very well and there were no problems. Communities preparing for their own housing projects and city networks became adept at going through the rituals of registering their community savings groups as cooperatives and negotiating their land arrangements through the legal mechanism of their cooperatives.

Once the prevailing only concept of individual ownership and taking land as just market commodity can be challenged into land-as-collectively-owned-asset-for-collective-long-term-security for building people and community, and go through the proper and simple steps of implementation, indeed, collective land became something very easy and more natural for community to practice.

The cooperative management of land and housing, in fact, can allow flexibility for the cooperatives committee to adjust and setting communal rules and regulation for community management which can be adaptive to various changing circumstances.

#### 4.2 Why is collective land so important?

##### **a) Individual tenure usually means the poor are eventually replaced by the better-off :**

Experience in the past in Thailand has shown that when people have battled together to resist an eviction attempt, have been able to obtain security of tenure *individually* and have developed a good housing project on a piece of land, many communities have not been successful in managing their community together, and members have sold off their houses and returned to slums again. In these ways, any good housing project invariably ends up being unable to retain its poor occupants, who are gradually replaced by better-off people who can afford to buy in. Once land security has been granted to each individual then the poor people have been bought off and pushed out, some also start making new squatter settlements.

Indeed, providing land tenure security and good planning and housing construction in an informal settlement is the way of linking the urban poor's housing to the market. Individual ownership works like a green light for powerful market forces to enter a settlement and buy out poor families individually. So the land which had been so carefully planned and improved and covered with housing for poor community people, will eventually find its way into the market - some communities sooner than others, some right away. Speculators will be lining up to buy out people's plots and begin assembling large and more saleable pieces of land for bigger buyers. At the same time, individual poor families with land tenure will find it difficult to resist these powerful market forces alone, since other conditions in their life may still be uncertain, and the option to sell out will arise when the crisis happens. .

Most public housing projects and land regularization programs in most countries follow this same pattern. In these ways, land tenure security, upgrading and regularization can actually become tools to assist the market to remove poor families and to transform their land and houses into marketable commodities. In light of this, the granting of individual land tenure becomes a different, softer form of eviction, and all the public subsidies which were supposed to go to the urban poor are thereby redirected to the wrong target groups.

Collective land tenure works as a binding force and a vital mechanism to hold individual poor families in a community together, as a group. And this group can slow down the penetration of these better-off buyers-in and act as a protective buffer to the market forces. Even though a strong community with collective land tenure can't completely keep these market forces out, it can dramatically reduce the speed and power of those external market forces, while giving the community members the time and chance to develop themselves and to strengthen their economic position to deal with it better as a group.

##### **b) Collective land tenure helps protect people through the vulnerable transition period they go through from being informal squatters to being formal land and housing owners.**

With any new housing project, poor communities making the transition from informality and insecurity to formality and legitimacy are like small, fragile boats which will suddenly be facing all kinds of problems and high seas and storms. If their crew is not working together, they will be broken into splinters easily.

In all upgraded communities, there are almost always problems of internal management in the early stages after the project is finished. Many of these problems are predictable: many groups, many different ideas, members may quarrel, funds may be mismanaged, joint activities may stagnate, internal politics may cause certain groups to use non-repayment of their loans as a tactic to undermine leaders they are unhappy with. External problems may also arise which involve a community's interaction with others, with government agencies which may not cooperate properly or rich buyers who may try to buy the land and houses from the cooperatives and cause conflicts in the communities between those who want to sell and those who want to stay.

When a community of poor people moves from the position of being squatters to being the owners of their own land, that's a very big change in their lives, and it represents a very dramatic swing from informality and illegality to being full citizens with legitimacy and formal status. It is also very costly to be formalized. Having secure land and decent housing on that land is almost never cheap, and building a housing project is never easy for the poor, in any circumstances. Once a Baan Mankong upgrading project is completed, community members will all face the sudden reality of a long period of having to repay their loans which may add up to more money than they're earning.

And this repayment burden comes at a time when their lives are not yet really settled and their incomes may still be low and unsteady. Most poor community members remain vulnerable during this transition period and they need the support of their communities and their cooperatives to see them through. If the land is individually owned, and the market forces are right there ready to pounce, many families will sell off easily, as soon as somebody in the family falls sick or somebody loses a job and can't make the month's repayment.

So collective tenure is a way to make sure the protections of the group remain in place during this transition period, while community members are stabilizing their unsettled social and economic situation and paying off this very heavy investment they've made. That way, when someone gets sick or loses a job, the group support system is in place to help them out - through the savings group, through the community welfare program, through various community mechanisms and activities. Then, once the community members are able to get over that difficult period, they will be able to continue staying in the community.

**c) Collective land is an important mechanism of ensuring the community gets stronger together as a group**

In the process of designing the Baan Mankong, lessons from earlier urban poor housing projects were painstakingly reviewed in the search for ways to use the element of land (and conditions about how land is dealt with) more proactively, to bring people together *and keep them together*, and to solve poverty by allowing many other kinds of *development by people* to continue, long after the land tenure security is reached and long after the project is finished. That is why collective land arrangement has been introduced.

Collective land is a strategy for building a more collective way of living among people who stay together, and among people whose poverty and vulnerability makes those collective support mechanisms essential to their survival and to their ability to retain that secure land and housing. By staying together, and owning or leasing land cooperatively, many other relationships among community members develop naturally, and many other benefits of that collectivity take shape in all activities that relate to people's real human needs. Once land in which people live together is collective, it is more natural that whatever happens *above the surface of that land* will become more socially collective.

When poor communities get tenure security, it is like crossing a big red line drawn across their lives, separating their former lives as poor people who needed each other in so many ways to survive, and their new secure lives as members of the lower middle class, who have individual freedoms and may be more apt to feel that they can now go inside their secured houses and lock the door - no need to bother any more with the others. Secure land can create a heady sense that as the rightful owners of one small piece of their nation or of the earth, and as land-owners, people can now do whatever they like. People's behavior changes when they become owners of their own land, and their relationships with their communities change.

In Baan Mankong, it is the attempt to build a new kind of urban community which allows its members their privacy and independence but which also provides them with an important collective support structure and a culture of interaction and friendliness and togetherness which can help protect its more vulnerable members. In most Asian cities, the forces of individualism and consumerism are fast displacing older communal groupings and leaving people stranded on their own, in isolation. We see this everywhere we look: people staying by themselves, in apartments or houses, behind high walls, watching their TVs and tapping on their computers, not knowing their neighbors and not even having much relationship with their local governments. In this new urban reality, there are no communities, no links, no anything. Our cities are becoming large and unwieldy

agglomerations of isolated individuals who have no communal process to bridge their isolation or to link them to do things together within their small constituencies.

**d) Collective land does not compromise people's individual freedoms but can work as a means to enrich those personal freedoms.**

The market true believers will always argue that collective land tenure restricts people's freedom to develop individually, prevents them from capitalizing on their individual land assets to get bank loans, inhibits them from selling out when it is in their best interests to do so, encumbers them with too many rules and restrictions and compulsory meetings that come with being part of a legal cooperative.

There are responsibilities that come with being a member of a land-owning cooperative of course, but land that is collectively owned need not restrict people's freedoms. It is possible if someone needs to sell and move out - the only agreement is that they have to sell their land and housing through the cooperative. And though they will get back their original investment, they might not make quite as much profit as if they had sold the land on the open market.

But living inside that cooperative community means that in the place where people live (and sometimes work), people have a larger society to associate with; when people come home, they have friends and acquaintances to greet them, and as members they can propose and become involved in activities involving children's playgroups or tuition classes, improvements to the community environment and common spaces. Or they can get involved in more social aspects of the community, planning festivals or developing the welfare program. Different people have different expertise, different personalities and different areas of interest, and so even within a small community, there are rooms for people to get involved in ways they are comfortable with.

And in a community, the scale is small enough that people can all actually know each other and keep track of each other - which is not the same thing as knowing each other *theoretically!* In a community, the relationships are real: it is a real society, part of a real city where people participate in urbanity as one member of a larger whole. And when there is a system of living in which people are not alone, in which they have friends and social relationships, in which they have support systems and places to bring their strengths and creativity into real use with others in simple, day-to-day rituals and practices - *that is in fact a very great freedom.* It is not any theoretical right or freedom as defined in a book. So in many ways, the collective system for living together provides a much greater safety and space for individual freedoms - especially among a city's most vulnerable groups.

**It is always easier and more natural for poor people to deal with the collective land approach than with better-off groups.** Another key reason for making land collective is to stop the way of thinking of land as a valuable commodity to be sold to the highest bidder. In the absence of proper local administrative system, these kinds of collective community systems can help mediate the huge gap which will continue to exist between the poor and the larger society. In these ways, collectively owned land doesn't have to be a controlling mechanism, but can be a bridging, strengthening, supporting and negotiating mechanism.

**e) Collective land brings greater equity into poor communities,**

Cooperative land tenure arrangements create new horizontal relationships between people in a community. When land is cooperatively owned or leased, every member of that community really IS equal. Why? Because all of them have their houses on that land, all of them own an equal share of that collective community land, and every month everybody has to repay their share of the loan for that collective land. In this new relationship, if one member does something bad and doesn't repay, it affects everybody, and everyone's housing is equally in jeopardy. This is no theoretical sharing, but a real one, based the hard fact of a common asset and a common responsibility and to decide on many communal things together on this collective land.

Since everyone is equal in cooperative land, the behavior of a community's cooperative management system has to reflect that equality. The problem with the system of most existing community committees (or cooperative committees) is that they still tend to operate in the old top-down, hierarchical style. So it is very important that the management systems in communities with collectively owned land need to change their style of operation to match this new equality in equal land ownership. There is a need to invent new systems of horizontal management, in which all members of the project feel equally that they are part of this new community's management and can be involved in most of its development activities, even after the hustle and bustle of the housing project is long over. It is not easy to find models for this new kind of horizontal management system in our societies, which are still overwhelmingly vertical, hierarchical and centralized. So collective land management can become an important reform mechanism for building a more democratic management at the very fundamental grassroots level.

**f) Collective land allows tight housing developments on minimal land to provide residents with more living space through common amenities and shared spaces.**

One of the basic economic realities of most low-income housing projects is that as many units as possible have to be built on as small a piece of land as possible, to make them affordable, and that means very small housing units or land plots. If the planning of such densely-packed projects follows the principal of maximizing individually-owned space and minimizing the "waste" of shared spaces, as many do, the outcome is usually a grim layout of cramped little box-like houses arranged on a grid, each one surrounded by a high wall and connected by narrow alleyways.

But when poor people who don't have a lot of money design a project together, each person's small money works like a share in the common asset of that new community they are designing, of which they are all equal shareholders. If the planning is done collectively and properly, with some delicate design support, the people can actually do the opposite, where they maximize the commonly used areas which belong to everyone, and reduce the individually-owned parts to a workable minimum. In reality, this is a way to expand the limitations of each member's small, private house or plot: all the members have a small private space of their own, but then they also own the whole rest of the community as well, and can use those common spaces like an extension of their living room. In this way, even a very poor person can become *rich in land and amenities*, even though his house might be very small. In many of the Baan Mankong projects, where house plots are small people are proud to say "We don't have any fences in our community."

**BOX : No fences in the communities in the town of Chumpae :**

My house and my community in Chumpae are now very beautiful, after we upgraded them. I'm so proud to show these visitors from 20 countries in Asia and Africa how we use our own savings to organize ourselves and to improve our lives and communities. And I'm also proud of this government, which gives its full support and guidance to the Baan Mankong community upgrading program, which lets people do things our way. Today we can walk right into Government House here and nobody looks down on us, even though we may not be wearing such beautiful shoes. Acharn Paiboon, the Deputy Prime Minister, came to inaugurate our newly-upgraded community in Chumpae, and during the celebration, he visited my house. And he even used my toilet!

Our local administration in Chumpae has also been very helpful to our city-wide upgrading process. We had to work very hard on this, though, and if any other communities need help coordinating their upgrading projects with their local administration, I can help. We never get bored in our community network in Chumpae - we're busy with work, meeting each other, talking together, making exchange visits, helping communities in other cities prepare their proposals. I am so busy with work around the country, in fact, that I almost never get a chance to sleep in my own house! We have no fences between neighbors in our communities after upgrading. We believe that if you do good deeds, nobody will steal from you - those good deeds and our community will act like a fence to protect you and your house.

*(Paa Nome, community leader from the Baan Rom Yen Community, in the town of Chumpae, in Khon Kaen Province)*

**5. Collective community planning to reflect this collective living**

When we talk about communities finding land, developing their own housing projects and managing the whole process collectively, the issue of physical planning becomes critical.

- ***In-situ*** : When a community is able to negotiate secure land tenure in the same place and decides to leave things as they are as much as possible, and just upgrade or reblock a little bit, then the question of planning is not so important. A few houses might have to shift a little to make the space for some more communal amenities like a playground, a community center, wider access lanes or infrastructure lines.
- ***Reconstruction or relocation*** : But in cases when communities begin from scratch, with a total reconstruction of an existing community or relocation to new land, there is much more opportunity to think about how people can live together and arrange their houses and public spaces in new ways which support rather than compromise their collectivity.

***Planning in social clusters*** : In increasing numbers on new or fully reconstructed land, people are deciding to forgo the usual grid-like layouts that engineers tend to favor and believe most efficient, and develop much more socially responsive plans with groups of houses arranged in clusters around small common spaces where trees can be planted and activities can take place. This kind of cluster planning allows close-knit groups of families who would like to stay together to plan their own cluster of houses in the project planning process as a sub-group.

In these ways, the smaller social groupings that exist within poor communities can be maintained and manifested in the physical form of the new settlement. If these smaller social groups have the power to participate in the design process properly, with some sensitive facilitation by a good community architect, their ideas can make for a much livelier plan and design, more community-supporting and more beautiful settlement in the end.

Planning, like everything else in the land and housing process, is not something that can be done in isolation. If we want to build a community which has this collective quality, then a similarly collective physical planning has to be adopted. To make the whole housing project reflect this collective social quality as much as possible, the way the social planning process is conducted is extremely important. The collective management of land is a prerequisite to that kind of planning, and the physical planning should reflect the real soul of this collectivity. In this way, the physical form of the new community - and the careful planning that produces it - can enhance the community's spirit of collectivity.

## **6. Conclusion**

It is important to mention at the end that although this national experiment being implemented through the Baan Mankong Program is being carried out in Thailand, similar upgrading programs could be developed elsewhere. What necessary is a new system and institutional set up which can provide flexible finance directly to urban poor communities, at large scale, so that urban poor communities at city-wide scale can develop their own land and housing solutions.

In the world we live in today, where capitalism has triumphed in almost every aspect of our lives, it is important to understand the same power capital can function and the possible new freedom to allow poor communities to change their cause of poverty and to solve their own land tenure and housing problems. At the same time, it is also important to understand danger these same capitalist tools can present to poor communities, and to understand to use the more conventional social wealth and collectivity of communities to deal with these market and capitalist dangers.

It is something that should be totally opposite to what today system is about : managing budget to communities so conservative and inflexible that fund for development by people is no existence and open up to full danger from capitalism without any protection and the poor become the eternal victims from both the capitalist market and development agencies.

It is also very important to develop new concept of land for building community or housing as something socially special to keep people and strong social development structure of people in the society together and not too much a commodity objects in the speculative commercial market.