New housing program puts poor communities in the driver’s seat in a process of forging city-wide solutions to problems of housing, land tenure and basic services in Thai cities...

In January 2003, the Thai government announced an important policy to address the housing problems of the country’s urban poor citizens which aims to provide secure housing to one million poor households within five years. This ambitious target will be met through two distinct programs. In the first, the Baan Ua Arthorn Program (“We care” in Thai), the National Housing Authority will design, construct and sell ready-to-occupy flats and houses at subsidized rates to lower-income applicants on a “rent-to-own” basis.

The second Baan Mankong Program channels government funds, in the form of infrastructure subsidies and soft housing loans, directly to poor communities, which plan and carry out improvements to their housing, environment and basic services 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 existing slum communities and their networks - at the center of a process of developing long-term, comprehensive solutions to problems of land and housing in Thai cities.

As part of this unconventional program, which is being implemented by the Community Organizations Development Institute, 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 improves all the communities in that city - all of them - over the next four years. Once these city-wide plans are finalized, CODI channels the budget (both infrastructure subsidies and housing loans) from the central government directly to communities.

This housing experiment in Thailand is the result of a process which has been developing over the past ten years, starting with the building of large-scale community savings and credit activities, then the formation and strengthening of large-scale networks of poor communities, and finally to using these people’s skills to deal with housing problems at a much larger scale. But Baan Mankong is only possible with the commitment on the part of the central government to allow people to be the core actors and to decentralize the solution-finding process to cities.

The program makes physical upgrading a first step in a larger and more holistic community building process:

Instead of making them passive recipients of welfare style giveaways or someone else’s idea of what they need, the Baan Mankong program allows poor communities to study the physical problems in their settlements, develop their own plans for resolving these problems and then implement those plans themselves collectively, with infrastructure subsidies and low-interest housing loans which they manage themselves. This strategy of making communities the key actors in resolving the serious problems of housing in Thai cities represents an important milestone for the process of decentralization in Thailand.

The program puts city-wide housing on the list of structural issues which can be resolved through partnership:

By creating space for poor communities, municipalities, professionals and NGOs to look together at all the housing problems in their city, Baan Mankong is bringing about an important change in how the issue of low-income housing is dealt with: no longer as a piecemeal welfare process or a civic embarrassment to be swept under the carpet, but as an important structural issue which relates to the whole city and which can be resolved. The community upgrading program is helping to create local partnerships which can integrate poor community housing needs into the larger city’s development and resolve future housing problems as a matter of course.

The program makes room for poor communities to reawaken the lost art of citizen involvement in Thai cities:

When community people do the upgrading themselves and their work is accepted by all the city stakeholders, upgrading becomes a process which legitimizes their status in the city and showcases their capabilities as a partner in helping to manage serious problems which affect the whole city: not only housing, but environment, water management, solid waste disposal and social welfare. In Thai cities, where top-down systems of governance and globalization have left most urban citizens feeling they have little say in their own environment, this is a vital way of reactivating citizen involvement in city development, and it comes from the bottom-up.

What is Baan Mankong?

1. The Baan Mankong Program makes the urban poor the owners of a national housing upgrading process:

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2. The program makes physical upgrading a first step in a larger and more holistic community building process:

   People-driven upgrading can be a powerful means of bringing structural change to poor communities - change that goes beyond a few physical improvements or secure tenure. The Baan Mankong Program uses the upgrading activities to kick off a broader, more holistic and more integrated process of building people’s ability to collectively manage their own needs such as housing, communal finance, credit, environment, income generation and welfare. Upgrading can mobilize people to look at all these things, because it touches the lives of every single person in a community, not only the leaders or the savers, and gets everyone involved.

3. The program puts city-wide housing on the list of structural issues which can be resolved through partnership:

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Upgrading: One size does not fit all...

Instead of promoting a single model for obtaining secure land tenure and improving housing and living conditions, a range of options are being tried and tested by communities. As the work spreads out and scales up, these strategies are being expanded, refined and adapted to suit the particular needs, aspirations and conditions in each city and each community. The five strategies listed below are by no means the final word on what’s possible, but make a good starting list of options for communities under the Baan Mankong Program:

1. **Upgrading** is a way of improving the physical environment and basic services in communities, while preserving the location, character, social structures.

2. **Reblocking** is a more systematic way of improving existing communities by making adjustments to install sewers, drains, walkways and roads.

3. **Land sharing** allows both landowner and people living on that land to benefit by dividing the land and allowing the community to buy or rent part of the land for their housing, in exchange for returning part of the land to the landowner to develop commercially.

4. **Reconstruction**: Existing communities are totally rebuilt on the same land, or on land that is nearby, within the same general area, either under long-term lease or outright land purchase.

5. **Relocation**: Sites are often far from existing communities, job opportunities and support structures, but they usually come with housing security, through land use rights, outright ownership or some kind of long-term land lease.

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**The budget tools go straight into people’s hands:**

1. **Infrastructure subsidies**: The program provides subsidies which allow communities to upgrade their infrastructure and environment, according to priorities they set, using budgets they manage themselves and using technical assistance they select themselves. Each community’s total subsidy is calculated by multiplying the number of households by per-family infrastructure subsidies, for different kinds of upgrading:
   - US$ 625 per family for communities upgrading settlements in-situ.
   - US$ 1,125 per family for communities reblocking or rebuilding their settlements on the same land.
   - US$ 1,625 per family for communities relocating to different land.

2. **Low-interest housing loans**: Soft loans are made available to families wishing to improve their houses or build new ones after upgrading or relocating - with interest rates subsidized by the government so loans go to people 2%.

3. **Administrative support grants**: A grant equal to 5% of the total infrastructure subsidy is made available to whatever organization the community - or community network - selects to assist and support their local upgrading process under Baan Mankong. This could be an NGO, another community network, a local university, a group of architects, or a local government agency.

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**Baan Mankong Results (January 2003 - September 2004)**

- 106 Thai cities are now involved in the upgrading process
- 128 upgrading projects have been approved (some cover several communities)
- These projects cover 166 communities
- These projects cover 13,118 families
- After upgrading, 86% of these families will have long-term, secure tenure in the same place or very close by

Total budget approved so far:
- US$ 10.7 million (upgrading subsidy)
- US$ 9.3 million (housing loans)