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

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Introduction:

The poor across the world employ a variety of strategies and techniques to improve their wellbeing by accumulating assets. In the world's slums, however, the poor have virtually no assets on which to build, only their meagre, improvised dwellings. For several decades now, governments and international agencies have been supporting programmes to upgrade basic services in urban slums to facilitate asset accumulation. In most of these, community residents are passive recipients of projects that are conceived by governments, designed by engineers and implemented by contractors.

This paper provides a detailed case study of the phenomenon described in David Satterthwaite's chapter of large-scale urban poor community organizations themselves designing and implementing a more comprehensive community upgrading process. This process encompasses not only infrastructure improvements, but also housing, tenure security, and economic and social revival, using a flexible system of financial support. This new approach is being tested in Thailand in the *Baan Mankong Programme*, a nation-wide community upgrading programme which was launched by the Thai government in 2003 and is being implemented in 200 Thai towns and cities by the Community Organizations Development Institute (CODI). The programme targets 300,000 households in 2,000 informal settlements. The programme is unusual both for its national scale and for the way it is structured, with support going directly to poor community organisations that manage and implement the whole process, thus building their capacity to develop collective responses to many other problems they face besides land, housing and infrastructure.

The *Baan Mankong Programme* continues to show that, if reconceived in this way, community improvement and housing development by the community can be a powerful intervention to help rebuild strong social cohesion and collectivity among the urban poor. As such, community upgrading can be a direct and effective strategy for reducing urban poverty, creating assets for urban poor communities and means for urban poor communities to build partnership with local authority.

Slum Upgrading has brought considerable asset improvement to former slums and urban poor people directly. Land that is occupied by informal communities generally has little or no value. Slum land is almost never considered a formal asset, nor are the patched-together houses or informal livelihoods of the slum residents considered to be countable in the conventional system of asset calculation. However, when a slum upgrading program is able to grant security of tenure and communities organize themselves into self-managing social units, this upgrading process creates a variety of assets for both the people who live there, and for the city as a whole. Assets are accumulated by securing land tenure, establishing municipal services and more permanent housing, which generate a host of other economic developments. These developments in turn create more financial assets for both community members and neighbours adjacent to the upgraded slums. Slum improvement interventions also generate community social capital by building their capacity to improve their livelihoods, manage finances collectively, establish communal funds and look after one another's welfare. Once the upgrading activities solidify people's confidence in their own creativity and legitimacy as active citizens, their capacity to negotiate with the government is developed, thus endowing them with political assets as well.

The *Baan Mankong Programme* is rooted in thirteen years of government-community partnership experience. To achieve its goal, it has come to recognise the need for all the community-driven upgrading initiatives to unify into networks of urban poor organisations. These larger organizations are better able to work in partnership with local governments and other development actors to jointly develop a city-wide upgrading programme and to promote community development across the city.

1. BACKGROUND: COMMUNITY UPGRADING IN THAILAND

There is a great need for processes which ensure all slum and squatter households in a country achieve the improvements called for by the Millennium Development Goals,[1] which cover not only physical, but also social, tenure security and livelihood aspects of people's lives. Meeting these targets also requires improvements in the managerial systems within urban poor communities and changes in the relationships between slum and squatter communities and their city authorities.

In the past, slum upgrading has mostly involved the provision of minimal physical amenities like drains, walkways, toilets or water supply in informal settlements, by government agencies. At a time when many governments were still ignoring slum communities or evicting them, slum upgrading came as a positive sign. Although it promised no long term solutions to serious problems of land tenure and lack of affordable urban housing, upgrading signalled a retreat from forced evictions, and the minimal improvements it brought in represented a mild form of recognition that these communities were part of the city.

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

The Thai government's first slum upgrading programme, launched by the National Housing Authority in 1977, was an important step forward for the country's urban poor communities. Before then, the only concept was to push slums and squatter settlements out of the city. Because it recognised these communities as being part of the city, the upgrading programme was a breakthrough. During the 1980s, between 30,000 and 50,000 households were able to access improvements under this programme, but here too, without addressing their legal status or contravention of various by-laws. So the standardized and contractor-built drains and walkways were provided, without fully accepting that these slums were viable urban settlements and a much-needed stock of affordable housing assets for the urban poor.

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

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[1] The Millennium Development Goals recognize the need for action in 'slums' as they require 'significant improvements in the lives of at least 100 million slum dwellers by 2020' – although it was subsequently recognized that this is a very inadequate target as reaching 100 million slum dwellers by 2020 implies reaching only a small percentage of those living in 'slums'.
[2] Angel, Shlomo and Somsook Boonyabancha (1988), "Land sharing as an alternative to eviction: the Bangkok experience", *Third World Planning Review* Vol 10, No 2, May, pages 107–127.

upgrading and income generation.[3] In 2000, UCDO was merged with the Rural Development Fund to form the *Community Organizations Development Institute (CODI)*, which is now implementing *Baan Mankong*,[4] a national programme for upgrading the housing, environmental conditions and tenure security of urban poor communities, which is the focus of this paper.

2. FROM UCDO TO CODI

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

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

From the outset, UCDO sought to bring together different interest groups, with senior government staff, academics and senior community leaders sitting on its governing board. Initially, loans were available to community-based savings groups for income generation, housing and land acquisition (for instance, to allow communities threatened with eviction to purchase existing slum land or land elsewhere, and to develop housing there). Any community could receive any of these loans, provided they could show that they had the capacity to manage community finance *as a group*, through community savings and loan group, and that the loans could be used to respond to the particular needs of each group. In this way, UCDO developed links with a wide range of community organisations, savings groups. The loans were given at interest rates that were dramatically lower than those charged by informal money lenders (ie. 3% for housing and 8% for income generation activities to the group) but also high enough to allow the initial UCDO fund to be sustained and to cover the organisation's administrative costs.

As the savings groups became larger, stronger and more numerous, UCDO facilitated links between individual savings groups, which led to the formation of community networks at many levels. UCDO also supported communities in a particular city or province to join together to form networks, to negotiate as a block with city or provincial authorities, or to work together on shared problems of housing, livelihoods or access to basic services.[5] Gradually, UCDO began making some bulk loans to these community networks, which then on-lent to their member communities. The emergence of large-scale community networks in Thailand brought immense changes to the community-led development processes in general - and also to UCDO. These networks became increasingly the means through which UCDO's funds (and later CODI

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[3] Boonyabancha, Somsook (2003), "A decade of change: from the Urban Community Development Office (UCDO) to the Community Organizations Development Institute (CODI) in Thailand", Poverty Reduction in Urban Areas Working Paper 12, IIED, London, 31 pages, available free of charge from http://www.iied.org/urban/index.html; see also Boonyabancha, Somsook (2001), "Savings and loans – drawing lessons from some experiences in Asia", *Environment and Urbanization* Vol 13, No 2, October, pages 9–21.
[4] For a more detailed description of Baan Mankong, see CODI (2004), *CODI Update* 4, June, 32 pages, available from ACHR, Bangkok, e-mail: **achr@loxinfo.co.th**
[5] See Boonyabancha 2003 and 2005, op. cit.; also Boonyabancha, Somsook (1999), "The urban community environmental activities project, Thailand", *Environment and Urbanization* Vol 11, No 1, April, pages 101–115.

funds) were made available to low-income groups around the country. These community networks take many different shapes and forms, some based on shared occupations (such as the taxi-drivers' co-operative), shared land tenure problems, a shared public landlord or common pooled savings; there are networks of communities within the same city, along the same canal or along the same railway line.

Later on, UCDO began linking with other government and bilateral agencies to implement several other development programs, also using flexible community network grants to work on development activities. For example, a small grants programme was established for community-managed environmental improvement projects,with US$ 1.3 million from the Danish government (DANCED). This funding supported 196 projects benefiting 41,000 families, and strengthened the capacity of community organisations to work together and with local government. Another notable achievement was a programme designed to help savings groups facing financial crisis maintain their loan repayments after the Asian financial crisis of 1997 (with support from the Thai and Japanese governments). Another initiative established welfare funds for communities to use as grants, loans or partial loans for education, or income generation. For instance, the small instalments were used by those needing to pay school fees, those who are HIV positive, the sick and the elderly, all with the support of the World Bank's Social Investment Fund.

The success of the UCDO is self-evident. By the year 2000, 950 community savings groups had been established and supported in 53 of Thailand's 75 provinces, housing loans and technical support had been provided to 47 housing projects involving 6,400 households, and grants for small improvements in infrastructure and living conditions had been provided in 796 communities, benefiting 68,208 families. More than 100 community networks had been set up, and more than 1 billion Baht (US$ 25 million) had been provided in loans, and more than half of these loans had been repaid in full. In total, informal estimates suggest that assets of some 2 billion Baht had been generated by all these projects

Building on the success of the UCDO, CODI was established in 2000 and continued to support the programmes set up under UCDO. But, whereas UCDO had been a special project under the National Housing Authority, CODI's legal standing as an independent public organisation (under the Ministry of Social Development and Human Security) provided it with greater possibilities (for instance, being able to apply directly to the annual government budget), wider linkages and new possibilities for supporting collaboration between urban and rural groups. The emphasis on supporting community-managed savings and loan groups and community networks remained strong, and in addition, CODI has also linked with 30,000 rural community organisations, as well as urban community organisations in most of Thailand's cities. Like UCDO, CODI also has a mixed board which includes representatives from government and from community organisations.

3. BAAN MANKONG ("SECURE HOUSING") PROGRAM

a. The new programme

In January 2003, the Thai government announced two new programmes which together sought to provide secure housing to 1 million low-income urban households. The first is the *Baan Mankong* (*"secure housing"*) Programme, which channels government funds (in the form of infrastructure subsidies and soft housing and land loans) directly to urban poor community organizations, which plan and carry out improvements to their land, housing, environment and basic services. This programme is being implemented by CODI. The second is the *Baan Ua Arthorn* (*"We care"*) Programme, in which the National Housing Authority designs, constructs and sells ready-to-occupy flats and houses at subsidised rates to lower-income households who can afford the "rent-to-own" payments of US$ 25 – 37 per month.

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

Baan Mankong builds on the community-managed programmes that CODI and UCDO have been supporting since 1992, *all of which operate on a strong faith in people's capacity to manage their own needs collectively.* The upgrading programme stipulates no formula for how communities are upgraded, what physical form the housing or infrastructure solutions take, – on the same or on alternative sites. All possible or sensible options can be developed as a result from agreement between community, land owner and other development organizations. In those cases where relocation is absolutely unavoidable, alternative sites must be agreed to by the communities, with support from local development agencies, and should be as close as possible, to minimise the economic and social costs of relocation. Power over all these decisions resides with the community, which owns each upgrading project, as a collective. Communities also take responsibility as a group to collectively manage loan repayments for housing construction or land purchase.

The Baan Mankong programme has set a target of improving the housing, living conditions and tenure security of 300,000 poor households, in 2,000 poor communities in 200 Thai cities, within five years, representing over half the urban poor communities in Thailand. The programme imposes as few conditions as possible, in order to give urban poor communities, networks and various stakeholders within each city as much freedom as possible to design their own programme. The challenge is to support upgrading in ways that allow urban poor communities to lead the process and to generate local partnerships in the process, so that the whole city contributes to the solution. A key to this flexibility is the ability to use flexible financial management, which in turn allows communities and their local partners as much flexibility as possible to on the ground. This contrasts starkly with the more conventional, vertical, system-led, contractor or supply-driven approaches.
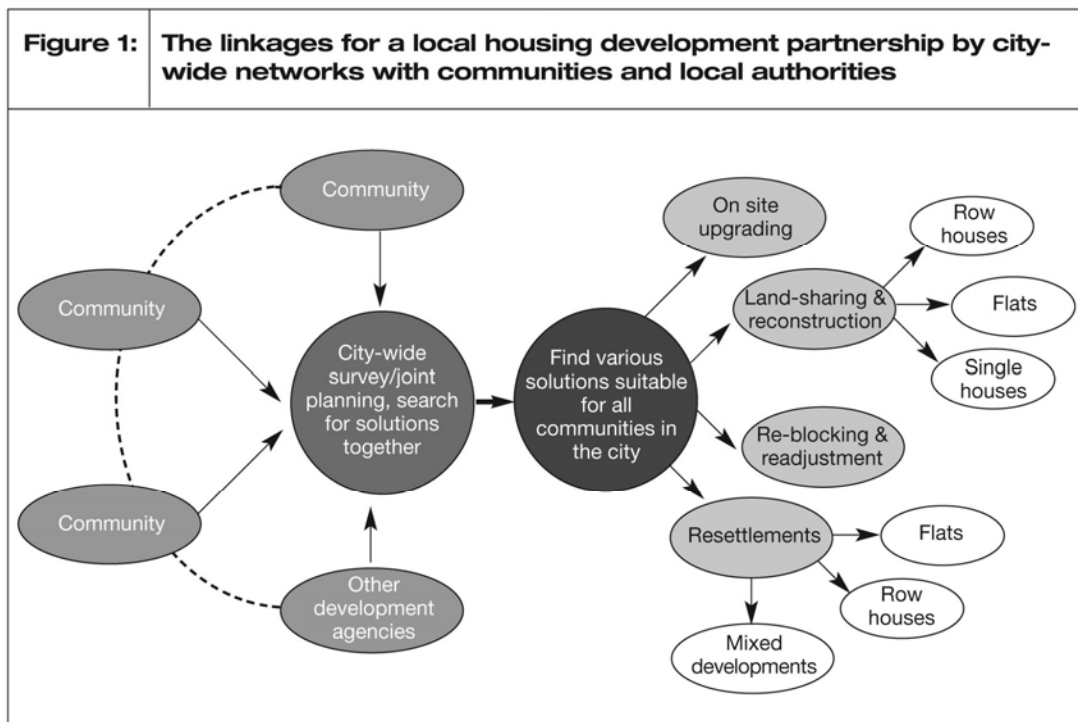
b. Methodology

The first step for establishing the Baan Mankong Programme is to identify the relevant stakeholders and explain it. It is imperative to find the correct audience, and ensure that the specificities of the finance initiative are conveyed in an understandable manner. The second step is to organize community meetings in order for the stakeholders to begin to take ownership of the programme. These meetings ultimately establish a joint committee to oversee the implementation of the project. This committee includes urban poor community and network leaders, as well as municipal officials, local academics and NGOs, and helps to build new relationships of co-operation, to integrate urban poor housing into each city's overall development and to create a joint mechanism to plan and implement housing development together. With leadership established, a city meeting is held where the joint committee communicates with representatives from all urban poor communities to inform them about the upgrading programme and preparation process.

This process starts by gathering information. The committee organizes a survey to collects information on all households, housing security, land ownership, infrastructure problems, community organisations, savings activities and existing development initiatives. The survey process also provides opportunities for people to meet, learn about each others' problems and network. The collected information is used to create an improvement plan that covers all the informal settlements in the city. Meanwhile, collective community savings and loan groups are established to mobilise resources within the community, and to strengthen community groups by building their collective management skills.

With the preparation work complete, pilot projects are selected and assigned on the basis of need, a communities' willingness serve as a guinea pig, or for the learning possibilities a certain community might provide – both for the community itself and for the rest of the city. Once pilot communities are selected, development plans are drafted for initiation. These projects are often used as "learning centres" for other communities and actors throughout the process.

Once the pilot projects come to completion, and the extent of their success or failure is determined, they can be extended as a model to other communities. Care must be taken to include those squatters and urban poor who are living outside established communities, such as the homeless or itinerant workers. Gradually, the projects are integrated into a city-wide housing development process. This transition involves coordinating with public and private landowners to provide secure tenure or alternative land for resettlement, integrating community-built infrastructure into larger municipal service grids, and incorporating upgrading with other city development processes. Community networks are built around common land ownership, shared construction, co-operative enterprises, community welfare or collective maintenance of canals and other natural amenities. It is imperative to create economic space and opportunities for the poor throughout the process, and to share lessons learned between communities through exchange visits with community representatives and government staff.

Figure 1: The linkages for a local housing development partnership by city-wide networks with communities and local authorities

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

c.   How does Baan Mankong differ from conventional upgrading approaches?

Unlike conventional approaches, urban poor communities and networks are the key actors in this poverty alleviation program. They control the funding, manage the projects and implement the improvements. They also undertake most of the building themselves, rather than contractors, which means most of the funds remain within the community and work as seed capital for the considerable additional investments people make in their own housing and community.

The programme is "demand-driven by communities" rather than supply-driven by government agencies or contractors, since it supports only communities that are ready to implement their own improvement projects and allows a great variety of responses, each one tailored to a community's needs, priorities and possibilities. Communities decide how to use their infrastructure subsidy, which land to buy or lease, what type of housing they like and can afford, etc. The programme does not specify any standard physical outputs, and provides flexible finance that allows communities and their local partners to plan, implement and manage the upgrading in their own way and according to their own needs and priorities. However, an architect is provided to assist the community with housing planning.

The programme also distinguishes itself from other interventions by promoting more than just physical infrastructure upgrades. As communities design and manage their own physical improvements, the process stimulates deeper but less tangible changes in the community's social structures. These changes lead to the development of such social amenities as community development funds, community welfare systems, and subsidized housing. This collective work also strengthens a community's managerial systems, boosts the confidence of its members, and changes their relationships with local government and other development actors in their city.

When people's own upgrading plans for their communities are integrated within the city's planning and city development strategies, it helps trigger acceptance of poor communities as legitimate parts of the city, and as valuable partners in the city's larger development process. Secure land tenure terms are negotiated for most communities individually, using a variety of tenure options, such as co-operative land purchase, long-term lease contracts, land swapping, land sharing or long-term user rights. Most of the tenure negotiations happen locally, with minimal legal procedures and minimal involvement of national bodies, but in all cases, the emphasis is on collective - rather than individual – land tenure.

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

To explore a variety of new approaches to upgrading, ten pilot projects were implemented in 2003 . Six of these pilots are described below.

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

household came to US$ 6,683, which includes US$500 for infrastructure, $1,126 for housing and the rest buying the land. Each household makes land and housing repayments of between US$27 and $50 per month.

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

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

In the fourth pilot project, several communities joined together in order to upgrade their dwellings on a large scale.   In Bangkok's Ramkhamhaeng area, two early pilot upgrading projects sparked off a larger development process that involved seven other communities in the same locality. The first was a squatter settlement of 124 families, occupying 0.8 hectares of Crown Property Bureau land. After forming a co-operative, this community negotiated a 30-year lease and worked with architects to develop a new layout plan with two-storey row houses. The second project involved 34 families living on a marshy 0.8 hectare site also under CPB ownership. Initially, they planned to rebuild their houses on the same site, but found the costs of filling the land were too high. Seven other communities decided to join these two schemes and, working closely with the CPB, these 9 communities are now preparing a master redevelopment plan that will provide secure land and housing for over 1,000 households, on 40 hectares of land in several CPB parcels in the area. This master plan will create new residential areas linked to markets and parks, and will involve re-blocking in some areas and nearby relocation in others. Everyone will remain in the general area, with long-term leases obtained through community co-operatives.

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

The sixth pilot consolidated scattered squatters into a single new community on long-term leases. Boon Kook is a new settlement in the northern city of Uttaradit, where 124 households that had been living in many small, scattered squatter settlements were relocated.   To resettle these households (which were identified by the community network in their city-wide survey), the municipality agreed to purchase a 1.6

hectare site and lease it to the co-operative formed by the new residents on a 30-year lease, with a nominal annual rent. The community network helped start daily savings schemes among the inhabitants, CODI provided housing loans, and the NHA provided the infrastructure. The six house models designed for the project cost between US$ 750 and $ 3,750, with repayments of US$ 5 – 23 per month. The Boon Kook community plans also include five collective housing units for the elderly, poor and physically disabled members of the community.

5. SUPPORTING DECENTRALISED ACTION WITHIN CITIES

Municipal and local authorities in Thailand are still undergoing a transformation, as national decentralization policies bumpily take effect. These local government institutions still need a lot of understanding and capacity in order to open up their systems of governance in ways which allow their citizens to feel that this is *their city* and that they are part of the its development. In fact, responsibility for many different aspects of urban management can be easily decentralised to communities, which can manage many municipal amenities such as public parks and markets, maintenance of drainage canals, solid waste collection and recycling, and community welfare programmes. Opening up more room for people to become involved in such local tasks is the new frontier for urban management. And community upgrading is proving to be a powerful way to spark off this kind of decentralisation, and an even more powerful way of making a city's poorer citizens become an active part of their city's development activities.

Common techniques used for scaling up the Baan Mankong upgrading process.[6]

Pilot projects (such as those described above) are organised in as many cities as possible, to get things going, to give visible examples for all peer groups to see and learn, to generate excitement and to demonstrate that community-driven upgrading can work. These pilots become examples of how upgrading can be done, and are much visited by other community organisations and city government officials.

Twelve cities with strong upgrading processes at the initial stage have been designated as learning centres for other towns and cities in their regions. These communities also hold outreach events. When an upgrading process is launched or a project inaugurated, policy makers, government, the general public, and people from neighbouring cities are invited to observe successful initiatives for change. These events often turn each city's milestone into a mass learning opportunity. To augment these events, exchanges are held between communities, pilot projects, cities and regions involving community representatives, officials, NGOs and academics. CODI sub-contracts most of the support and co-ordination work to partners in cities, whoever ready to work with communities, NGOs, architects, university professors, municipal officers.

City-wide upgrading processes are now underway in more than 200 cities. What follows is a summary of the experiences some cities have had tackling their upgrading programme/

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

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

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

In the historic capital city of Ayutthaya, which is a world heritage site, the community network has surveyed and mapped all the informal settlements, which total 53, comprise 6,611 households, most situated within the historic areas of the city. The community network then organised a seminar with the city authorities, to present the survey information. This showed that it would be possible to improve conditions in their settlements, bring in basic services, construct proper houses and shift the settlements a little to allow the monuments to be rehabilitated.

6. WHAT HAS BEEN ACHIEVED TO DATE

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

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

Total number of projects approved	**304** projects
Number of districts and cities where the programme is underway	**140 cities** and districts in **57 provinces** (out of 76 total provinces in Thailand)
Number of districts/cities where projects have been *approved*	**106** districts and cities in **53 provinces**
Number of communities involved *(in approved projects)*	**415 communities**
Number of households *(in approved projects)*	**29,054 households**
Total budget approved : • Infrastructure upgrading grants • Housing and land purchase loans	1. US$ 25.7 million 2. US$ 14.4 million

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

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

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

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

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

The results also show that about 60% of the families which have faced serious problems of eviction and tenure insecurity were made the top priority by joint city groups, to be pilot projects to start for the city together. This shows clearly that a city-wide process can detect and deal effectively with eviction problems in a very effective ways, on a city-wide scale and in collaboration with all the key local actors.

7. WHAT HAS BEEN LEARNED?

Working at city-wide scale is critical for this new kind of slum upgrading by people. The city-wide scale brings out the differences between slums within a city or district – differences in land ownership, legal status, access to infrastructure, housing quality and degree of vulnerability. People start to understand and question these differences, and this process becomes a kind of university, where people learn more about their own city. When ccommunities develop an understanding of these larger structures, they begin to understand the economic and structural forces which create these different conditions and it is empowering. When people don't have this understanding, they remain vulnerable and easily pushed around by outside professionals or institutions.

After city-wide surveys have been completed and the dialogue between the poor and all the other stakeholders develops, the next step is to start selecting pilot projects together. Initial pilot upgrading projects in each city are important tools for showing both the poor and everyone else in the city that *this is something possible.* In some cities, community networks may start with the easiest, most "achievable" communities, while others will opt to do pilot upgrading in the poorest settlements, or those most vulnerable to eviction. It is crucial that the process of selecting these pilots be open and visible, so that all the communities in the city feel that they are part of the discussion and selection, that they feel these pilots belong to them, and are their learning opportunities.

These first upgrading projects become powerful concrete evidence that what is being done together *can really work.* If the pilots go well, the whole city will jump to another level of readiness, enthusiasm and confidence. As poor communities watch the visible changes taking place in their city's first pilot upgrading projects, they begin to look at their own situation in new ways, begin seeing their own settlements *as places where change is also possible*. The first pilots are powerful examples for all urban poor communities because all the work is being undertaken by their peers – by other people who are also poor. This motivates people to start preparing themselves, setting up savings groups, initiating their own surveys, discussing their own upgrading priorities.

When space is created for urban poor communities to look at their city in its entirety, they find that they are no longer isolated within their individual settlements: they have friends and allies in other communities around the city who struggle with similar difficulties. This is how communities start to build a larger platform for collaboration, information sharing, mutual learning and assistance, and joint mobilization for more structural change. The emergence of these *horizontal* linkages and platforms to counter-balance those vertical structures becomes extremely important. When poor communities in a city start working together

and have the power to collectively decide the direction of their own development, it creates a new power delivery structure.

Slums are not aberrations, but a normal part of cities. The city-wide scale of the upgrading process helps city authorities and other urban actors to begin seeing slums with greater understanding and less fear. Rather than viewing slums as a clash between legality and illegality, they have begun to see them as something which is a natural and vital part of the city's economic and social life, and as something which *can be improved*. When city authorities, politicians and other groups in a city start engaging in discussions with urban poor groups about how to address the city's housing problems, it changes perceptions dramatically, and makes affordable housing and secure land tenure part of the city's normal development agenda. With this approach, official attitudes towards informal settlements in most Thai cities are changing dramatically, and becoming more supportive of their poor citizens in the process.

Poor communities contain a mix of better-off and poorer people, layabouts and achievers, disabled, unemployed, elderly, orphans, drug addicts, and people in crisis. In the market system, only those who can afford to pay can access society's benefits. But in a collective, community process, the challenge is to find ways to deal with all these unequal conditions, so that everyone is part, everyone's needs are taken care of. It is crucial that the upgrading process make room for communities to think about how to meet the needs of *everyone in the community*, even their poorest and most vulnerable members.

Once people start managing finances and planning upgrading collectively, and once they secure land under a communal lease or co-operative ownership, a lot of communal energy and creative activities are unleashed, especially in the social sphere. When people are linked together like this, through this cooperation, they practically spontaneously start developing new ideas for how to resolve other social and welfare needs, and to put these ideas into practice. The solutions may be different in each community and region, but the same culture of collective synthesis and mutual assistance underlies them all – a strength which has always existed of necessity in poor communities, but which the upgrading process is consciously helping to revive.

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

It is imperative to develop people's rights in tandem with physical infrastructure upgrades. When people's land tenure is secured, as part of the upgrading process, their rights and their security are also being improved. Their status and their citizenship in the city also undergo a change. Many in cities still look at informal settlements as unacceptable, as blights on the city, and the poor often end up believing this themselves. So both groups have to change. The poor especially start believing in their own power, energy and ability. Once people believe in their power, they start looking at things differently, and can adjust their relationships with the city. Upgrading can be a powerful intervention to spark this kind of change. Baan Mankong is showing that people's rights can be upgraded very concretely and visibly, through concrete upgrading activities, by poor people themselves.   This kind of upgrading also involves upgrading relationships within a city by creating space for local authorities, community networks and all the urban poor communities to work together, as equals.

We often speak of savings groups as a means to get poor communities organised and involved, to get them working and thinking together. But in the upgrading process, the most important aspect of savings and credit activities is that they teach communities to manage finance collectively – both their internal assets and outside finance. This helps ensure that the people themselves become key actors in development. The way most development works, someone else always holds the purse, and people, for lack of financial

management skills, are left holding their hand out. Collective saving and credit activities help communities learn to manage money and finances collectively, in ways that are transparent, equitable and effective.

8. How is the upgrading programme changing the quality of people's assets?

Secure land, more permanent quality of housing and basic services are changing the quality of assets people acquire through the upgrading process. Programme participants are able to negotiate lease contracts with state or private land-owners, and are able apply for CODI loans for their new land and housing, oftentimes using their land as collateral. This enables Thailand's poorest urban citizens to accumulate assets worth between US$ 2,500 and $12,500, combining the value of land, house and infrastructure improvements. Secure land tenure is essential in allowing this development to happen and opens up the gate for additional energy, development resources and investment to flow into these communities, thus compounding this increase in the real value of people's assets. And when land is owned or leased collectively and becomes a communal asset, it is also a way of mitigating the trend of market forces pushing the poor out of upgraded areas.

Financial assets in turn build social capital. Upgrading activities build the capacity of individual people and whole communities to improve their livelihoods, manage the finances that enable communities to develop their welfare activities that look after each other in a variety of ways and help support their more vulnerable members. As needed, people start savings groups in their settlements as a means of getting people used to pooling their resources and managing both their internal savings and external funds collectively. These collectively saved funds are like a community bank, and represent "countable" financial assets which belongs to all the people in the community. When they begin upgrading activities, and as they have to repay their land and housing loans in the longer term, everyone has to manage their finances responsibly – both as individual households and as a group. Since loans are made only to communities, their members are collectively responsible for repayment and for figuring out what to do when someone can't pay. All this builds a group's social cohesion and ability to manage finances and to assist its own members.

When communities go through the experience of managing a large and complex housing and infrastructure construction project, people invariably acquire skills, enhance capacities and develop greater confidence to take on more complex jobs. The reconstruction of a community calls for all kinds of inputs and different skills – when community people organize all these skills to upgrade their housing, they complement each other, and build something of their own, which is larger than what they used to contribute in their old jobs. When people are given the room to manage their own upgrading project, it broadens skills, generates confidence, and becomes a very big skill-development exercise. And this in turn generates new career assets. Many people in upgraded communities that had previously worked as low-paid construction labourers have been able afterwards to get higher-paid skilled jobs or even to become small construction contractors themselves. The communal fund alternatively provides community members with financial support for their investments and enhances income activities.

In many of the upgrading projects - especially those where people have found inexpensive alternative land to buy that is not directly accessed by roads (which is called *"blind land"* in Thailand), their networks have often been able to negotiate with the local politicians to get roads, sewers and water lines extended into the new settlement. When trunk infrastructure comes to such pieces of "blind land", it dramatically increases the asset value of that land, and increases the value of the neighbouring plots as well. In these ways, poor communities are becoming pioneers in bringing development, investment and human liveliness into neglected areas of the city. Upgrading thus becomes a way to transform a city's non-asset areas, into lively, thriving, developable asset areas. And in this transformation, community members are their own agents.

The poor are always being told they're ignorant or lazy, they're illegal, they're free-loaders, they're not legitimate citizens, or that they don't know how to do anything. It's no wonder many end up believing this, and resigning themselves to their conditions at the bottom of the urban heap. When they feel down and out, it suppresses this human confidence and energy. Once people see that they are going to get secure land and decent housing and they can plan initiatives, take ownership of property, and work together for decent community housing. The transformation can be dramatic; the poor begin to see larger possibilities, and start building their future with greater hope, confidence and energy. The upgrading process doesn't create human capital, but it is clearly a powerful tool to help people - and communities - to unlock this asset, which was there all along.

The instant that communities are able to work together as networks with other city development agencies and local authority, they are able to negotiate for their rights as well. They can pursue development with stronger financial capacity and more political bargaining power. Enhanced negotiating power and better bargaining power will help balance their participation in city development activities to be more reasonable and for more equitable kind of development more as a whole. People could guard their gain and their shares which always be ignored in various aspects. The system as a whole can also be more balanced and just.

Community organizations in Thailand have succeeded in meeting not only in their explicit goal of improving the physical infrastructure of local slum settlments, but led to the accumulation of political, social, and financial capital as well. An asset framework illustrates how the different types of assets have built upon and reinforced one another. Property rights bring with them a sense of legitimacy, infrastructure improvements create much-needed capital, and participation by the poor in organizations like Baan Mankong gives the poor a sense of self-agency. Combined, these factors build another, perhaps more important asset: human capital. The accumulation of these varied assets allows Thailand's poor to take command of their own futures, at first through the organization, but ultimately through self-reliance.