SCALING UP SLUMS AND SQUATTER SETTLEMENTS UPGRADING IN THAILAND LEADING TO COMMUNITY-DRIVEN INTEGRATED SOCIAL DEVELOPMENT AT CITY-WIDE LEVEL

Somsook Boonyabancha, Community Organizations Development Institute
achr@loxinfo.co.th

Abstract: It is common for governments and international agencies to support ‘upgrading’ programmes for ‘slums’ and squatter settlements. But these are generally government funded programmes that provide support for some physical improvements in infrastructure or housing. The inhabitants of the settlements to be upgraded are mainly recipients or beneficiaries to the projects decided by government and implemented mainly by contractors. This paper attempts to introduce different approach of getting the urban poor community organizations in large scale to have ownership and be the main actors in implementing upgrading process which integrates management of all related physical, land-tenure, economic and social activities through flexible financial support. It has intended to change the relationships between urban poor communities and local governments so these communities become accepted as legitimate parts of the city and have more space and freedom to develop their own responses. The upgrading should also bring significant change and strengthening of the social system and the internal relationship of people in the same community. Upgrading must also seek to work at the scale of the city, finding solutions for all urban poor groups, including those with very low incomes and very limited capacities to pay. If reconceived in this way, ‘upgrading’ can be a powerful interventions to rebuild strong social collective unit among poor people communities and to become basic safety net for poor members in the community, to reduce poverty and support decentralization and ‘good’ local governance.

This paper describes an ambitious national slum and squatter upgrading programme “The Baan Mankong Program” launched by the Thai government in 2003 and implemented through the Community Organizations Development Institute (CODI). The Thai Government have approved total grant of about 270 US$ million which accounts for about 25-28% of total
investment. The programme is unusual both for its scale and for the way it is structured – with support provided to community-organizations formed by urban poor groups to develop their own comprehensive upgrading and land development programmes. This support is provided through funding for infrastructure and housing loans to community organizations. This support for community organizations to develop their own programmes also supports their capacity to develop collective responses to many of the other problems they face.

This programme is rooted in thirteen years experience with government-community organization partnerships. But to achieve its goal of reaching 2000 urban poor communities in 200 different urban centres, it recognizes the need for all the different community-driven upgrading initiatives to form part of city-wide programmes in which networks of urban poor organizations work in partnership with local governments and other local development actors in city-wide upgrading process and building joint capacity for community-driven development together.
1. INTRODUCTION

There is a need to think about the processes that would ensure that all “slum” and squatter households in a nation achieve the significant improvements that the Millennium Development Goals demand.1 There is also a need to recognize that this is not achieved only by physical improvements. It also requires an improvement to the managerial system within urban poor communities and change in the relationships among those living in ‘slums’ and squatter settlements and city authorities.

Slum and squatter ‘upgrading’ is usually understood as physical improvements, where government agencies put in, for instance, walkways, drains and a water supply; there was no change in land tenure status, so the inhabitants did not receive secure tenure. It at least represents positive change within government from ignoring slum communities and considering them as outside the urban system entirely. A commitment to upgrading also means a step away from forced eviction programmes although it does not promise any long term solution. Bringing these infrastructural improvements was a mild form of recognition that these communities were part of the city. Some communities can also become active and organized after being triggered by some of these initial improvements. In Thailand, the upgrading programme was a very significant step in the process of change. Before the upgrading programme was launched in 1977, the only concept at that time was to push these slums and squatter settlements out of the city. Upgrading was a major change because it recognized that these communities may have to be considered a part of the city. But these initial attempts of upgrading did not know how to deal with these urban poor communities’ status, with their illegality, with their contravention of by-laws and many other aspects. So drains and walkways were provided, as a kind of reluctant, humanitarian gesture, without ever fully accepting that these slums were viable urban settlements. In Asia, only in the clear case of the Kampung improvement programme in Indonesia were such communities fully accepted and given secure land tenure.

But these upgrading programmes are almost seen as ‘projects’ rather than part of city-wide strategies to reach all urban poor groups with improvements. And they are still seen primarily in terms of physical improvements. This paper describes a programme in Thailand that reconceives how to achieve large-scale impacts by supporting local community-driven processes.

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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
in each urban centre which, when added together, achieve city and national scale. And, as importantly, they change the relationship between urban poor groups and the city authorities. At the same time, the process of upgrading in which community are in control of the development can also trigger several other related social development change within a community.

In Thailand, since the 1980s, there have been many examples of communities, civic/NGOs movements as well as partnership between government agencies and community-based organizations and networks formed by the urban poor. During the 1980s, the Thai government’s National Housing Authority supported slum upgrading program (with support from World Bank in the beginning) without much emphasis on difficult land tenure issues. A total number of about 30,000-50,000 families have been improved through the program. However there have been some interesting pilot initiatives for housing and land for the urban poor, including “land-sharing” schemes through which squatters received secure tenure and infrastructure when they agreed to share the site they lived on with the landowner. In 1992, the Thai government set up the Urban Community Development Office to support community organizations with loans for new housing, housing improvement/upgrading and income generation. In 2000, this Office was merged with the Rural Development Fund to form the Community Organizations Development Institute (CODI), which is now implementing Baan Mankong, a national programme for upgrading and secure tenure that is the focus of this paper.

Until 2003, government response to the housing problems faced by lower-income groups had not been on a sufficient scale. There were some 5,500 low-income urban communities, with 8.25 million inhabitants, living in poor quality and often insecure housing. In 3,700 of these communities, land tenure was insecure, 30 per cent of the people were squatters and 70 per cent rented the land on which they lived but had no secure long-term contracts. Many of these communities were under threat of eviction, and 70–80 per cent of their inhabitants could not

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’.


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
afford conventional housing, either through the market or through conventional government housing programmes.

2. FROM UCDO TO CODI

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

UCDO was provided with a capital base equivalent to US$ 30 million, to allow it to make loans to organized communities so that they could undertake a range of activities related to housing, land acquisition and income generation. It also provided small grants and technical support to community organizations.

From the outset, UCDO sought to bring together different interest groups – with senior government staff, academics and community representatives sitting on its board. Initially, loans were available to community-based savings and loan groups for income generation, revolving funds, housing and land acquisition (for instance, to allow communities threatened with eviction to purchase existing slum land or land elsewhere, and develop housing there), and housing improvement. 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 loans 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 organizations, savings groups, NGOs and government organizations. The loans had much lower interest rates than the other loan sources that urban poor households could turn to especially those informal sources, although
they were also high enough to allow the initial fund to be sustained and to cover administrative costs.

As the savings groups that worked with UCDO became more numerous and larger, UCDO has developed linked among individual savings groups to form networks at various levels. It also supported community organizations in a particular city or province to join together to form a network of community organizations to work and negotiate with city or provincial authorities, or simply to work together on shared problems of housing, livelihoods or access to basic services. By this change to support community networks, UCDO loans could also be provided not only to communities but also to community networks, who then on-lent to their member organizations. The emergence of large-scale community networking brought immense change to community-led development processes in general, and also to UCDO. These networks became increasingly the means through which UCDO support and funds (and later CODI funds) were made available to low-income groups. There are community networks based around occupations (for instance, a taxi cooperative), pooled savings and cooperative housing. There are also community networks based on shared land tenure problems, network in same city, networks in the same canals, etc...

Later on, UCDO also link with other government and bilateral programs to manage several other development programs using flexible finance grant to community networks and communities to work on the particular development activities together, including:

- a small grants programme for community-managed environmental improvement projects, with US$ 1.3 million from the Danish government (DANCED), which supported 196 projects benefiting 41,000 families, and whose projects strengthened the capacity of community organizations to work together and to work with local government;
- a programme to help savings groups facing financial crisis maintain their loan repayments after the financial crisis of 1997 (with support from the Thai and Japanese governments); and
- community welfare funds, made available to communities for use as grants, loans or partial loans for education, income generation and other welfare (for instance, school fees, those who are HIV positive, the sick or the elderly), with support from the World Bank Social Investment Fund.

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

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

3. BAAN MANKONG/SECURE HOUSING PROGRAM

a. The new programme

In January 2003, the Thai government announced two new programmes for the urban poor that seek to reach 1 million low-income households. The first is the Baan Mankong (“secure housing”) programme, which channels government funds in the form of development subsidies and housing loans to upgrade existing urban poor communities, directly to urban poor organizations who plan and carry out improvements to their land, housing, environment and basic services. This is implemented by CODI. The second is the Baan Ua Arthorn programme, through which the National Housing Authority designs, constructs and sells ready-to-occupy flats and houses at subsidized rates to lower-income households who can afford “rent-to-own” payments of US$ 25–37 per month.
Baan Mankong was set up to support processes designed and managed by low-income households and their community organizations and networks. These communities and networks work with local governments, professionals, universities and NGOs in their city to survey all poor communities, and then plan an upgrading programme to improve conditions covering all urban poor communities within three to four years. Once the plans have been finalized, and pilot projects been approved and work in details, CODI channels the development subsidies and housing loans directly to the communities. These upgrading programmes build on the community-managed programmes that CODI and its predecessor UCDO have supported since 1992, and on strong believes in people’s capacity to manage their own needs collectively. The form of upgrading could be diverse and as what could be settled in the negotiation either on the same sites, next to the same sites or relocation. Either on the public land or private land agreed to sell to community to be bought as a group. Upgrading existing settlements is supported whenever possible; if relocation is necessary, a site is sought and to be agreed by communities with support from local development agencies close by to minimize the economic and social costs to households. Power to decide will be based on communities since community is the owner of the projects as a group. Community will also have to take responsibilities as a group collectively to manage loan for housing construction or land purchase.

Baan Mankong has set a target of improving housing, living conditions and tenure security for 300,000 households in 2,000 poor communities in 200 Thai cities within five years. This represents at least half the urban poor communities in Thailand. The programme involves:

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

This programme imposes as few conditions as possible, in order to give urban poor communities, networks and stakeholders in each city the freedom to design their own programme. The challenge is to support upgrading in ways that allow urban poor communities to lead the process and generate local partnerships, so that the whole city contributes to the solution. Key to this flexibility is the ability to use flexible financial management to allow flexibilities to be developed on the ground by communities and local partners as much as
possible. In fact, this flexible finance could also be much cheaper than those conventional, vertical system-led, stiff plans, contractor and supply-driven approaches.

b. Methodology

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

- identifying the stakeholders and explaining the programme;
- organizing network and community meetings, which may include visits from people in other cities;
- establishing a joint committee to oversee implementation. This includes urban poor community and network leaders and the municipality; also local academics and NGOs. This committee helps to build new relationships of cooperation to integrate urban poor housing into each city’s overall development and to create a joint mechanism to plan and implement housing development together among various key actors particularly communities in the city;
- conducting a city meeting where the joint committee meets with representatives from all urban poor communities to inform them about the upgrading programme and the preparation process;
- organizing a survey covering all communities to collect information on all households, housing security, land ownership, infrastructure problems, community organizations, savings activities and existing development initiatives. Doing the survey also provides opportunities for people to meet, learn about each others’ problems and establish links;
- from the survey, developing a community upgrading plan which covers the whole city;
- (while the above is going on), supporting community collective savings, as these not only mobilize local resources but also strengthen local groups and build collective management skills;
- selecting pilot projects on the basis of need, communities’ willingness to try them out and the learning possibilities they provide for those undertaking them, and for the rest of the city, preparing development plans for pilots, starting construction and using implementation sites as learning centres for other communities and actors;
• extending improvement processes to all other communities, including those living outside communities, e.g. the homeless and itinerant workers;
• integrating these upgrading initiatives into city-wide development. This includes coordinating with public and private landowners to provide secure tenure or alternative land for resettlement, integrating community-constructed infrastructure into larger utility grids, and incorporating upgrading with other city development processes;
• building community networks around common land ownership, shared construction, cooperative enterprises, community welfare and collective maintenance of canals;
• creating economic space for the poor (for instance, new markets), or economic opportunities wherever possible within the upgrading process; and
• supporting constant exchange visits between projects, cities and regions for all those involved, including community representatives and local government staffs.

Ceiling of Infrastructure subsidies of 25,000 baht (US$ 625) per family are available for communities upgrading in situ and re-blocking or reconstruction on the same site and 65,000 baht (US$ 1,625) for relocating. Therefore, by multiplying the above ceilings for the different
types of upgrading with total number of families in the community, communities all over the country can figure out approximate ceiling of budget for their possible upgrading. So community members can start discuss and plan together all comprehensive upgrading elements under the budget. Families can draw on low-interest loans from either CODI for purchasing land or housing construction, and there is a grant equal to 5 per cent of the total infrastructure subsidy to help fund the management costs for the community and local organization or network.

c. How this differs from conventional approaches

- Urban poor community organizations and their networks are the key actors, and they control the funding and the management. They also undertake most of the building (rather than contractors), which makes funding go mainly into communities and brings in their own contributions.

- It is “demand-driven by communities” rather than supply-driven, as it supports communities who are ready to implement improvement projects and allows a great variety of responses, tailored to each community’s needs, priorities and possibilities (for instance, communities choose how to use the infrastructure subsidy, which land to choose, what type of housing they like, etc.,).

- The programme does not specify standard physical outputs, but provides flexible finance to allow community organizations and local partnerships to plan, implement and manage directly. Government agencies are not direct planners, implementers and construction managers delivering to beneficiaries.

- It promotes more than physical upgrading. As communities design and manage their own physical improvements, this helps stimulate deeper but less tangible changes in social structures such as community development fund, community welfare system, etc., as well as managerial systems and confidence among poor communities. It also changes their relationships with local government and other key actors.

- It helps trigger acceptance of low-income communities as legitimate parts of the city and as partners in the city’s larger development process. People plan their upgrading within the city’s development framework, so their local housing development plan is integrated within city planning and city development strategies.
Secure tenure is negotiated in each instance, but locally (not too much nationally or using legal procedures) – and this could be through a variety of means such as cooperative land purchase, long-term lease contracts, land swaps or user rights, land, sharing, etc. But in all cases, the emphasis is on communal (rather than individual) tenure.

4. LEARNING FROM PILOT PROJECTS

To explore new approaches, ten pilot projects were supported initially in 2003 as examples of the new national program. The pilots were selected together under following qualities, communities that had organized themselves, had some experience of working with other organizations, and had families with monthly incomes below 10,000 baht (US$ 250). All but two were on state land, so implementation was easier. Six of these pilot projects are described here.

a. Land purchase and re-blocking

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

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

c. Relocation to nearby land

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

d. Scaling up pilot projects

In the Ramkhamhaeng area of Bangkok, two initial pilot projects sparked off a larger development process that involved seven other nearby communities. The first was a squatter community of 124 families occupying 0.8 hectares of Crown Property Bureau land, who negotiated a 30-year lease after forming a cooperative, and developed a new layout plan with architects for two-storey houses. The second project involved 34 families living on a marshy 0.8
hectare site also belonging to the Crown Property Bureau. They planned to build their own homes on this site but found that the landfill costs were too high. Seven other communities decided to join these two schemes and, working with the Crown Property Bureau, they are now preparing a master redevelopment plan that will provide for over 1,000 households on 40 hectares. This 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 area, with long-term leases obtained through community cooperatives.

e. Land sharing

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

f. The relocation of mini squatters and a long-term lease

Boon Kook is a new settlement in a central area of the northern Thai city of Uttaradit, where 124 households that had been living in many “mini” squatter settlements are being re-housed. 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 grant the inhabitants a 30-year lease. The community network helped start daily savings schemes among the inhabitants, CODI provided housing loans to families that needed them, and the National Housing Authority provided the infrastructure. Row housing is being built and the average unit cost (for housing, infrastructure and land) is US$ 6,415. The unit cost of the houses varies between US$ 750 and 3,750, with repayments of US$ 5.00–22.50 per month. The settlement also includes five collective housing units for the elderly, the poor and physically disabled members of the community.
5. SUPPORTING DECENTRALIZED ACTIONS WITHIN CITIES

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

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

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

- **learning centres**: 12 cities with strong upgrading processes at the initial stage have been designated as learning centres for other towns and cities in their regions;

- **big events**: when an upgrading process is launched or a project inaugurated, policy makers, government, public in general, people from neighbouring cities are invited to see what is happening and what is possible, turning each city’s milestone into a mass learning opportunity;

- **exchanges**: between communities, pilot projects, cities and regions involving community representatives, officials, NGOs and academics;

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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.
• **sub-contracting**: CODI sub-contracts most of the support and coordination work to partners in cities, whoever ready to work with communities, NGOs, architects, university professors, municipal officers; and

**Within each city, the following steps are taken:**

- coordinated setting up of local working group or committee involving various partners;
- a community survey;
- city-wide planning covering all communities at different stages of improvement;
- first-year implementation:
  - get training cases together
  - learning process of upgrading;
- managing knowledge, making handbooks;
- reviewing what has been learnt;
- expanding to second and third years; and
- exchange visits and meetings, and learning shared between groups.

City-wide processes are now underway in many cities. For instance, in the city of Uttaradit, it started with a survey that mapped all the slums and small pockets of squatters, identified the landowners, and established which slums could remain and which needed to relocate. This helped link community organizations, and initiated the building of a community network, supported by young architects, a group of monks and the mayor. Looking at the whole city, they sought to find housing solutions for 1,000 families with the most serious housing problems within the existing city fabric. They used a range of techniques – land sharing in one area, re-blocking in another, as well as in situ upgrading and relocation. Solutions included the Boon Kook programme described above, which is providing homes for 124 households that previously had lived in “mini” squatter settlements.

In Bangkok, 1,200 urban poor settlements house almost one-third of Thailand’s urban poor. Each of the 50 district organized each process proposing at least two pilot projects for each district in the first year and so each 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 Korat, a network of 25 communities is working with NGOs, the municipality and the university
on a three-year upgrading programme that will reach 52 settlements with 9,900 households. In Ayutthaya, Thailand’s old capital city and a world heritage site, the community network has surveyed and mapped all informal settlements. These totalled 53, comprising 6,611 households, most of which are situated within the historic areas. The community network then organized a seminar with the city authorities, where survey information was presented. 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. Some pilots are underway to show that poor communities and historic monuments can be good neighbours.

6. WHAT HAS BEEN ACHIEVED TO DATE

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

<table>
<thead>
<tr>
<th>Table 1: Progress for Baan Mankong; January 2003 to September 27, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of projects approved</td>
</tr>
<tr>
<td>Number of districts and cities where the programme is underway</td>
</tr>
<tr>
<td>Number of districts/cities where projects have been approved</td>
</tr>
<tr>
<td>Number of communities involved (in approved projects)</td>
</tr>
<tr>
<td>Number of households (in approved projects)</td>
</tr>
<tr>
<td>Total budget approved:</td>
</tr>
<tr>
<td>1. Infrastructure upgrading grants</td>
</tr>
<tr>
<td>2. Housing and land purchase loans</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Status of land tenure after project</th>
<th>Number of projects</th>
<th>Number of families</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the same site (includes in-situ upgrading, in-situ reblocking or reconstruction, and land sharing)</td>
<td>269</td>
<td>22,151</td>
<td>76%</td>
</tr>
<tr>
<td>Nearby relocation (within 2 kms)</td>
<td>40</td>
<td>2,109</td>
<td>7%</td>
</tr>
<tr>
<td>Relocation (farther away than 2 kms)</td>
<td>105</td>
<td>4,784</td>
<td>16.5%</td>
</tr>
<tr>
<td>Shelter house for homeless</td>
<td>1</td>
<td>100</td>
<td>0.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>415</td>
<td>29,054</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

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

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

7. WHAT HAS BEEN LEARNED?

1. The importance of city-wide programmes in which urban poor organizations are fully involved. The city-wide scale supports is critical for the new kind of slum upgrading – by people. Working on a city-wide scale within the processes described earlier makes apparent the differences between all the slums within a city or city district. If this is done properly, people start to understand these differences – for instance, differences in land ownership and in legal status, differences in the availability of infrastructure and in housing and environmental conditions, differences in people, and differences in degrees of vulnerability.
If the city-processes are managed properly, all of these differences become a kind of university, where people learn about their own city. Urban poor groups learn by comparing what is being done in another community with what they know well. Why is your settlement this way, when our community is not? Why is our community different from the others? Suddenly the processes described earlier, of city-wide discussions and surveys, spark off the question “why?” And this is important learning – learning in ways that make sense to the inhabitants of low-income communities. Communities learn by seeing differences with their own eyes, and then comparing the conditions which make those differences. They develop an understanding of what structures the city, which explains the different groups and the different forces at work that create these different conditions.

When communities and other local actors begin to understand this together, it is empowering. When people don’t have this understanding, it makes them vulnerable and easy for outside professionals or institutions to push around. If some outsider tells something, you often believe it. If some NGO tells you, “You have rights!” you believe them But this is not coming from their own understanding. By being involved in processes of the whole city, with proper facilitation, they start understanding the causes and the reasons themselves.

2. The process of choosing the pilot upgrading projects by the urban poor organizations and local development partners. As city-wide discussions develop, involving all stakeholders, and city-wide surveys are developed, there is a need to choose where to start – and which communities to select for pilot upgrading projects in the city. The pilot projects are extremely important because urban poor groups and everyone else in the city need to see some tangible change together, and which shows concretely that this is possible, not only talks. When they come together to discuss and then select one or two pilot communities to start the upgrading process, the issue of which community is chosen is not so important but the process why they are chosen and urban poor community and local development agencies have power as a group to choose them together, is very important. Some cities choose the more problematic communities to start with, some cities choose the easiest, while others choose to start with communities facing eviction or under government projects, etc.. The communities in different cities choose their pilots according to all sorts of criteria. The important issue here is that the group understands the reasons for choosing the pilot projects. Some cities are opting to start with only one pilot project, while others are starting with two or three. Each meeting a different criterion and each offering a
chance to learn about upgrading in a different situation. In many cases, communities decide to begin with the upgrading of a community that they consider is “achievable”. And then they achieve that community’s upgrading, and by achieving this, they learn and develop stronger confident. Some cities chose to start with poorest groups in the city which also be very good since it draws whole attention to help the poorest people first. So this first implementation becomes the university. It becomes the concrete evidence that what is being done together is correct and works. At this point, that whole city, full of peers, will jump to another level of readiness, enthusiasm and confidence.

Although there may have been 30 or 40 communities coming together to decide, each of these communities knows that they are part of that discussion and selection. The selection could also be painful process since everybody may want to be selected first but the painstaking process to set communal criterior and to select with real consent of the whole groups will be significant learning steps. And then after selecting the pilots, everyone can see or also be involved in helping shape those pilot projects, and witness how the upgrading process happening in front of them. At the same time the pilot communities will also have a more strong sense of honor being public cases selected by their own peers. It is visible selection, visible implementation to be visited and learn by other communities. So the visibility of how projects are chose and how they work in the city as open public cases is very important.

3. The importance of learning and causing relative change made by urban poor groups by observing the change occurring in pilot projects. All urban poor communities watch these initial pilot projects being developed, and so see the steps how it is developed and gradual changes that come about within them. As they observe these transformations, they also begin to look at their own situation in a new way, and begin seeing their own settlement as a place where change is also possible. So they start preparing themselves, and making changes – for instance starting their own savings group, initiating their own survey, discussing their own local projects. When a city with 20 low-income communities starts with upgrading pilots in two communities, the other 18 will see those two communities as the leaders and be encouraged to upgrade themselves. The first pilots are powerful examples for all urban poor communities because they are being undertaken by their peers. It is not some external person coming to teach them how to upgrade or to show them some “best practice” project and to waite for replication. All the work
is being done by people who are also poor. And because it is their peers doing the work, other urban poor communities can believe that if they can do it, so can we.

4. The horizontal linkages between peer groups in the city represents a new horizontal power delivery. When urban poor communities have the possibility of looking at the whole city, in its entirety, they find that they are no longer isolated within their individual settlement – they have allies, friends with similar difficulties, similar fates, similar ways of doing things. They are not only one community – suddenly they are one of 30 communities in the same city. This is the way for communities to have larger platform to be able to negotiate with better information and support to mobilize for more structural changes – by learning, by forging new friendships, by actually working together on concrete actions, and by starting to mobilize certain kinds of activities together.

Almost all systems related to power and wealth and key decisions about development in our societies are vertical systems. Therefore, the emergence of horizontal platforms or linkages to balance those so many vertical strings are very important. If communities and development actors in the city can start working together and start a process whereby they have a chance to think and understand their own situation and have power to decide the process of change as peer groups and can have decision power to determine their development direction. And whatever they choose, it works so they are part of that new power delivery.

The municipality – and municipal politicians from various parties – always have their own intermediaries linking with different urban poor communities. Poor communities in any given city tend to be divided into camps – for instance, one community might “belong” to the ruling party, while another might belong to the opposition. Politicians like to have bilateral relationships with community leaders. If this kind of patron–client relationship is to be changed – with its division between the ‘benefactor’ and the ‘petitioner’ – this bilateral relationship has to be intervened, by development activities in getting the urban poor communities in a city to work together. The city-wide process that sets in motion should be able to build a platform for communities to be able to be more independent from these too direct vertical strings of patronage, which control communities.

5. “Slums” are not an aberration, but a normal part of existing city structures. This city-wide process helps city authorities and all other city groups to see the problem of slums and squatters with better understanding as something more natural, part of how things work in cities,
as part of city economic and social lives. And something which can be improved – not as something to fear or avoid. If the city-wide discussions and surveys are managed properly, getting all information and groups within a city to understand the upgrading process and be a part of it, everyone begins to look at slum problems as something to be fix properly. It changes the usual perceptions of the problem as being the city authorities versus illegal urban poor communities. Legal versus illegal., the space between the system of authority and the systems of poverty and illegality is a space of tension, fear, uncertainty: evictions and clashes.

In fact it is not necessary. A good city-wide survey in which everyone in the city has been involved helps produce an understanding about the all the related system with eagerness of communities to help solve them with the city. And it becomes something that the city’s system can help deal with. City authorities, politicians and other groups within the city start to engage in discussions with urban poor groups about how their housing problems can be addressed, so that it should becomes part of the city’s normal development agenda. It is important for central government development agency to support communities and cities to be able to work together in this proactive manner.

With this approach, it is found that most cities in Thailand are very supportive and change their attitudes towards slums and squatters tremendously. In fact several cities always try to find ways to develop by themselves in the past but the city may not have sufficient power and knowledge to do on their own. Cities like Udon Thani and Khon Kaen have good mayors who, through this process, realize that they can solve this whole housing problem in a few years and this automatically becomes a part of the city development agenda. And change in the way people in that city’s society, those in the system of authority and in the legal system, start looking at people’s slum conditions as normal, and as something to be fixed with clear target to achieve in 3 years.

This view held by large sections of the city’s society that urban poor groups are not normal can be so pervasive that the slum dwellers themselves begin to believe it. Many slum communities, are rundown and there is not much improvement. This is like the physical expression of this belief that they are not normal. But when you start working on real improvements, people would easily respond, active, recognizing themselves as normal people who have lots of creative power and can also living in a viable human neighbourhood with good creativity as well.
6. Supporting city-wide and nationwide upgrading by people mean a lot of clumsiness and imperfection. The big scale process need to be worked out by communities. Development workers can only work to support and mobilize broad process. But once you’ve created the space for urban poor communities to get involved, with sufficient horizontal linkages to support, even if the process may be a bit clumsy, it can gradually go in the right direction with involvement of community networks and other local development partners. Innovations and improvements will develop because the whole system of support believes in people and encourages their creativity. Communities’ creativity can be catalysed by other communities and other local development allies, there will be more precedents to show what can be done and things will naturally become more refined. Support organization workers have to be good on mobilizing and balancing process where many urban poor people come to work as active actors in many aspects.

7. How to manage with the lack of experienced professionals. There are complaints that there are too few young architects to assist the upgrading planning process in all the communities. Professionals, architects come from university and want to do something that is socially relevant, something different, something challenging. But many of these young professionals find that the realities in these communities are too complicated, too messy, too demanding. In many cases, the inhabitants of urban poor communities feel that whatever the architect comes up with is something they have to accept. This process would work much better if there was an army of sensitive and experienced community architects – but there may not be so easy. In many cities, the networks of community organizations are very confident and have got the local universities to support the process technically. Some have tried to hire professional architects.

In the case of the Baan Mankong project now being planned in Suan Phlu community in Bangkok, some well-known architects in the city are interested in being a part of the process, working with the community organizations. They are exploring the possibility of using a very advanced kind of pre-cast construction system for the housing. So in some cases, we are getting this kind of very good quality technical support – to make a few good precedents. But while well-known professionals are happy to become involved in one or two prominent projects, they cannot be persuaded to work in 10 or 20 cities.

While good design may not be able to applied to all projects, however, the good ones are being much looked at, much visited, and good design ideas are getting seen and noted and spread
around by the people themselves. If one community – such as Suan Phlu – has done something very innovative with the layout or the house construction, it is very easy to link that community with many other communities who can see and learn from it – and reproduce, if they like.

8. The importance of getting everybody, every poor people, on board and doing things collectively. The upgrading process should make room for communities to think about how to meet the needs of the poorest groups and innovate in addressing these. As individuals or as families, the urban poor have no power, no chance to get what they need to survive. To get power and more possibilities, they have to do things together. But they also have the advantage over most other groups in the city of being able to work with ease on collective activities. Communities – even poor communities – always have a mix of rich and poor, helpless and super-achieving people. There are always people with particular problems – disabled, unemployed, elderly, orphans, drug addicts, sick, people in crises or emergencies. In the market system, only those who can afford to pay can get society’s benefits – but in a collective, community process, everyone can be taken care of. Maybe this collective “equalizing” happens by having cross-subsidies built into the project, maybe a communal welfare fund or communal welfare facilities. There are many ways to take care of the vulnerable by their own safety-net system.

The way to include everybody is a challenge for the inhabitants of the settlement because they have to find a way to deal with the unequal conditions that exist in virtually all poor communities. So everybody has to pool their resources, their ideas, their creativity. This should be viewed as a challenge, not a limitation. And communities are rising to this challenge and finding creative ways to accommodate the needs of their poorest and most vulnerable members in the upgrading process (see Box 1 for an example of this).

9. Unleashing community creativity and reviving the culture of collectivity Once people have the ability to secure land under community’s rights or lease and manage finance collectively, and are able to start upgrading the community interactively as a group together, a lot of communal creativity is unleashed. And this leads to many more communal activities, with a lot of creativity activated on the social side. How will people live together as a group, how will they help each other, how will they manage the land that is now owned by the community organization? How will they collect money from everybody in such a way that people in sub-groups can assist each other? Or how will they ensure they can make the loan
repayments – which are collective repayments – when some individuals have problems or default on their payments? They have to have a system to support this. Little by little, through all these activities and all these systems, collective responses develop within urban poor communities to meet people’s various needs – for instance day-care centres, clinics and communal houses.

When people are linked together like this, through this collectivity, they almost automatically start developing new ideas and putting them into practice for how to resolve needs. It is different in each community, each region. This is, at base, human culture. In recent decades, changes in the world have eroded this, so we are more likely to think of individual culture, rather than collective culture – especially in cities. This collective system helps to bring back and reproduction of new form of small social unit and human culture. The basis for this system is still there, especially in poor communities since they have to live and survive together; the key question is how to tap it, to revive and strengthen it.

It is important to move beyond this level of the “average project”. And this can be done because of this collectivity and this sharing spirit, that is born of necessity. We should not look at poverty only as a problem – this collectivity and sharing of resources is also a resource with a lot of strength and capacity.

The directions in the Baan Mankong upgrading programme that encourage this collectivity are that:

- the upgrading has to include everyone in the community, rich or poor, renters or owners;
- wherever possible, land tenure (lease or sale) should be collective;
- the upgrading work should be planned and implemented collectively;
- the housing loans are given to the community organization or cooperative, not to individuals; and
- building up community social welfare systems

These are not high-pressure conditions, and all aspects of the programme are kept very flexible. But the idea of these requirements is to use the upgrading process as deeper social development process in promoting spaces for people in poor communities to come together and work together in a natural way.
**Box 1: The “central house” for accommodating those with special needs**

In several of the Baan Mankong projects implemented to date, communities have opted to set aside a site within the land they have collectively purchased (or leased) to construct a special shelter for needy community members. These central houses provide housing for destitute widows, for AIDS orphans, for handicapped people with special needs, for elderly people, or for people with no income – whoever in the community is too poor or somehow unable to provide their own housing. In Thai, these are called *baan klang*, which means “central house”, but it is part of an extremely localized welfare system. It is one way in which several communities are trying to “get everybody in the boat” as part of the upgrading process.

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10. **Upgrading people rights in the city, not just a few new drains and roads.** Upgrading is so important in the lives of the urban poor because they are “illegal”, they don’t have security or rights. When we improve land tenure, in fact, we have improved poor people’s rights and security, we are actually changing their status in the city, their citizenship in the city also undergoes a change, through the upgrading process. A question to address poor people’s rights can be done very concretely and visibly through real upgrading activities by poor people themselves not only by changing some laws that do not change other relationship.

Upgrading is a process in which urban poor groups change because they begin to believe in their own power and see that they are no different from other citizens in the city. Because many groups in a city view poorer groups living in informal settlements as bad or unacceptable parts of the city, so the poorer groups may end up believing this themselves. So both groups have to change. Poorer groups have to have confidence in their ability to do things. They need to start believing in their own power, energy and ability – this is social upgrading. Nobody can get that confidence by being told – they get it only by doing it. Thus, change can only be possible if people change. This is why upgrading is a powerful intervention to spark this kind of change, because it is so concrete and can be handle by community people and because it involves changing the status of these poor communities. It involves a lot of doing, a lot of management, a lot of communal decision-making, a lot of physical change happening on the ground. Upgrading is a powerful way to make poor people come back to believing in themselves, their power as
human beings and as active members of their society. Once people believe in their power, they start looking at things differently, and can adjust their relationships with the city.

11. Upgrading urban poor communities’ relationship with the city. On another level, this kind of upgrading also involves upgrading relationships within a city; trying to create space in a city in which the local authority, the community organization network and all the different urban poor communities can interact and work together. Why do we have networks of community organizations? Because the network provides a platform for a single community to have the space to negotiate with the city, which they often cannot do by themselves. In this way, the network has brought the authorities to discuss at the same level as the people. If the upgrading programme provides one community with funding and power to make change, they go ahead with their upgrading programme and the project ends up belonging to the whole city. The network feels that this is part of their work. Even though just one community does the project, it boosts confidence throughout the whole network. Because the upgrading process is opened up and shared from the very beginning – it is not one single community making a proposal directly to CODI and CODI passing the budget to that community. There has to be a local committee and the projects have to be discussed and then proposed by the whole network. Making these conditions a little complex is a way of knitting together these relationships. So the network feels a strong ownership of the pilot projects. They make the choice together and then everyone sees change in front of their eyes – people around the city see that their friends in other communities have done something, and everyone is involved.

12. The importance of savings and credit and communities’ capacity to manage finance and their upgrading process. We often talk about the advantage of savings groups formed by urban poor groups as a way to get communities organized, to get them working collectively, to get them involved. We know how savings and credit are important in linking people together, collecting people, working together, thinking collectively – the standard understanding of savings and credit. All this is true. But here, the most important side of savings and credit activities is that they allow communities to manage finance collectively – both their own savings and outside finance. This helps ensure that the people themselves become key actors in development.

When a community manages its own finances, it means that nobody else is managing the money for them – which is how most development works. Someone else always holds the purse,
and people (for lack of finance management skills) are always holding their hand out. Savings is a way to help communities grow up – to be able to manage money and finance collectively in ways that has to be transparent, equitable and effective. This is what draws the line between something that other people do for you and something you do yourself. If a community cannot manage money, it is doomed forever to having its development process determined by someone else.

The skill to manage finance is the channel for this possibility, development programme by community people themselves. In upgrading, for example, if people are able to manage finance, we only have to pass upgrading budget to community according to their plan. Suddenly, people will have power – to plan, to design, to manage, to do whatever they like. So the ability to manage funds is the key to freedom to development for communities – either they do it themselves or else somebody else does it for them.

Actually, in the community “savings and credit” people are linking together in a communal pool, where people will have to develop the ability to deal with the development of all the members of the group. The group as a whole. And this is where the role of savings and credit becomes so crucial in the community upgrading because upgrading is not something individual upgrading is something that arises from people living together, strengthening each other and wanting to develop, to go forward. And this power can be granted only when they have the capability to deal with finance – as a group. Once people can manage finance as a group, it means that communities no longer have to be ‘looked after’ by outsiders.

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

In the Baan Mankong program, people are the main actor to change these problems, they have ownership of the project. They are getting together to talk, to discuss, to share, to understand together - and this is a very important foundation, to spark off the interactions which build social relationships between people. In the process of planning upgrading projects throughout a whole city, people automatically start learning what other people in your town or neighbourhood are thinking, how they are living, what are their problems, what are their dreams. There is a great need for this kind of platforms to enable people to learn about each other, and to explore their points of difference and sameness, and find ways of dealing with the problems
together - as a group. The communal development direction is the non-negotiable core of this new city-wide development direction. It is the beginning to allow a reformulate new social system at the same time. The large-scale community upgrading process has, in fact, almost automatically create space for this kind of large-scale social interaction and strengthening of new secured social units at the roots level of the society.

**Land becomes a collective - NOT INDIVIDUAL! - asset:** Experience of the Baan Mankong program so far has shown that one of the most important aspects of collective housing security and one of the best ways of building this collective culture and social relationships is for land tenure (ownership or lease-hold) to be collective. The change in land ownership to be a commercial object or being individual assets has changed relationships between people as well - it has gradually broken the intricate bonds of co-dependence and cooperation and mutuality which came with that earlier system. It has put up walls between people and isolated them, instead of increasing their common shared spaces. And this isolation has taken away their collective power. Each individual land-owner has become a unit of one! But if land can become a communally-owned asset, which is under the control of a group of people, a communal source of security, this will bring change to the relationship of people who share the ownership of the land together. If we try to melt the lines which separate people's spaces from each other, so there are no walls, and so there are many common places, and so there is much chance to discuss, to agree together about things - the relationship becomes more powerful in addition to the individual "rights". If we can deal with the land issue in this way, then many other issues above the shared land will be easier.

**Finance becomes an invisible source of collective concrete power,** If people don't have a savings group, if they don't have a communal financial management system, only a few better-off people in the community will be able to link with the market system. But if the goal is to get everybody on board, it is essential to have a collective financial system which links everyone, no matter how poor they are, so that the whole community goes ahead as a group. Collective finance is also important because it provides a mechanism which can link together people from all the different economic levels within the community, and can address the economic needs of all those members. A communal financial system (having community fund to link with family financial system) can act as a buffer between the outside financial system (which is very stiff and accessible only to the better-off), and the internal, people-owned
financial system (which has to be highly flexible, informal, communal, and constantly making adjustments to accommodate the crises which are part of poverty). This financial buffer is important so nobody is excluded.

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

**Setting up social welfare systems of their own.** In most of the Baan Mankong communities, they set up a special welfare fund, using a margin set aside from the housing or land loan repayments. These welfare funds are used to take care of various crises within the community, such as needs for paying school fees, taking care of elderly or sick community members, providing housing or maintenance allowances for elderly or destitute or handicapped or unemployed members, etc. This is a community's own system for taking care of its own members who for various reasons have fallen through the cracks and need help. If you have the financial capacity to build this kind of local welfare system, it's not only money thing. The money gives a group a greater power to help each other, and this builds social cohesion. If the group doesn't have any money, people can help out needy neighbours in small ways, individually, but if they have a common fund, they can decide how to deal with problems as a group. They can think in larger ways about how to deal with these welfare problems as a group, in a more comprehensive way. Also to learn, to share, to help. The financial resource - even if it is very small - gives people the power to build something, it makes the community stronger in its ability to take care of each other. And this makes for a life in the community in which people are much closer to each other, more interdependent, more caring.

Some communities also provide budget for several other kinds of group activities in communities or outside communities.
People carrying on their lives individually have no great power, they are practically invisible. But when people come together as a group, they could become a giant! If you have 150 families in a community and get them to work together very strongly, that group will become very visible. This group will not be invisible any more, even though it is composed of so many very poor, rather invisible people. This is the way to take care of people by people.

When people come together like this, it also allows them to boost their ability to negotiate with the formal system for something better, in several ways. Individually, they have no power whatsoever to negotiate for anything! If some vendors selling goods outside the market keep getting chased away by the police, for example, they cannot fight with the police by themselves. They just get kicked out. But if a strong community, which has ten of its members working in that market, hears about this and is not happy, they are in a much stronger position to go to the police and start negotiating, on behalf of those vendors. And that means people's economic situation could be better, because they have been able to negotiate to keep their economic space to earn in the city. And people feel secure - as long as they have a community which can do many things, can negotiate on many fronts. In this way, the community unit becomes a kind of balancing mechanism in the larger society, a security factor to find ways of resolving these issues of survival in ways that are human and correct. And when several communities link together into a network, then this power is multiplied, and the possibilities for negotiation within the city increase dramatically.

This is crucial, it is a form of protection for those who are not protected by the formal system, it is a system of security for those who are outside the system. And this helps people to have confidence to think forward, to do new things. When people don't have confidence in themselves, then they are afraid of this, afraid of that. They do things with insecurity and are reluctant to take any risks, to try something new. So the creativity in people is held in check by these fears, by this lack of confidence. So how do we find a way that the people who are not rich, the people who are at the bottom of the economic system can build their confidence and interacting and being a giving side as well?

How can we find a way that the people can reclaim the vital human impulse of giving, rather than always only taking, demanding? In fact most human beings have the nature to give, to contribute. And when people are in a position to give, to do something for others, to perform
some act which brings no direct benefit to themselves, that is in itself a sign of confidence building more confident society.

**Horizontal management systems, rather than vertical:** Any community with management systems that are more horizontal is usually fine. People know what's going on. There is more danger of corruption, exclusion, opportunism and troubles when systems are vertical. The whole formal systems of management and control in our countries are overwhelmingly vertical. And the whole management systems in our society are getting more and more vertical all the time! What we need, in terms of social development, is many more horizontal systems to balance these vertical ones: horizontal connections between communities in the same network, horizontal links between members of the same community, horizontal links between communities under the same land-owner, horizontal links between settlements along the same canal, etc. This horizontal strength needs to be much stronger.

Most development program concentrate on physical results or outputs not too much people around them which is an example of a vertical approach, and vertical thinking. So how can we focus more on people, and allow people to be the subject of that physical development program? If we think more along those lines, such projects will create space for the social elements to be developed. And the irony is that that social development and that social richness are what is required to maintain the physical improvements, and to initiate others once the project is over. Plus, when the focus is on people, the physical improvements that are made can be much more creative, much more appropriate and varied and full of lives and innovation, because what the project is strengthening is people's capacity to transform their own physical environment. We need to figure out how all the physical development can be carried out by people themselves, or by a very local constituency.

If we try to understand social development and people development as being the key objectives of a physical upgrading program, it means we have to look at physical developments in a very different way. If we look at the quality of the water in a canal, for example, and the object is only to make the water cleaner not to be polluted, then all the people who live along that canal become nothing but tools in a technical process. And mostly we forget to look at the people along the canal. What if we look instead at how the whole constituency of people living along that canal would make the water clean, and change with the quality of water! So the quality of the people improves as the quality of the water improves.
The example of canal redevelopment in Chiang Mai:

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

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