

Collective Housing : City-Wide slum upgrading
for urban low income communities in Thailand

BAAN MANKONG



Community Organizations Development Institute (CODI),
Public Organization Ministry of Social Development and Human Security



Community Organizations Development Institute (Public Organization)

Background

The Community Organizations Development Institute (CODI) was established as a public organization, a new form of government agency. Through an enactment of the Royal Decree, which merged the Urban Community Development Office and the Rural Development Fund, CODI was created, and has been operating since October 26, 2000 under the supervision of the Minister of Social Development and Human Security.

Public organization is a special type of government agency created to increase efficiency within the administration of public services. The Public Organization Act of 1999 allows the government to set up public organizations through the issuance of a royal decree. Each public organization is under the direct supervision of a relevant Minister. At present, there are approximately 30 public organizations, working in fields such as social development, education, and technology.

Vision

Build society's fundamental strength through the power of community organizations and civil society.

Mission

1. Support and assist community organizations and networks in improving the careers, income, housing, and standard of life of their members
2. Provide financial support to community organizations and networks
3. Assist in the development of community organizations and networks, and coordinate with governmental and private agencies for that purpose.
4. Strengthen cooperation between community organizations and networks at the sub-district, provincial and national levels.



Key Direction

CODI employs an area-based development approach by focusing on local community revitalization and supporting community councils as a mechanism to integrate the community-based development process.



Current Activities and Development Projects

1. Baan Mankong Collective Housing Program

Launched in 2003, the program aims at solving housing and land insecurity of slum dwellers on a city-wide scale. The process involves slum surveys, community plans and designs, infrastructure improvement subsidy, and housing and land loans. The cabinet has approved the target of 200,000 housing units to be upgraded by 2011. Throughout the process, community organizations and local authorities are encouraged to be the key driving forces in solving city-wide slums.

2. Community Welfare Fund Began in 2005 with 99 pilot projects in rural sub-district, the fund extended to 5,938 sub-district/cities (out of 7,852) with 5.6 millions members and 15,000 millions baht (468 millions USD) fund nationwide at present. Each member distribute 1 baht /day (11 USD/ year) to the fund which provide the members at least 13 type of welfares including funeral and sick support, saving for newborn infant, interest-free grant for small business, education grant, pension for elderly and disaster fund.

3. Community Organization Council.

Community Organization Council B.E 2551 act encourage the community organizations to set up the council as the grass root network to both intervene the local and national public policy and carry out

community development works. Some 7,700 sub-district/city level councils (98% of total district/city) with 150,000 organization members set up throughout the country at present. Some councils run housing project in the rural area, some run community forest management, some formulate integrated local development planning, some held the public forum on public issue debate etc. National conference of the council organize annually to present the proposal of community problems to the cabinet. This community network probably the biggest network of community organizations recognized by law and will be the vibrant mechanism for community-driven development in Thailand in the near future.

4. Community-affected disaster management

CODI support the community organizations around the country from tsunami in 2003, Bangkok flooding in 2011 to earthquake



in the north in 2014, to carried out both rehabilitation and immediate assistance like food and shelter. Our approach is still community-driven, set up the community committee from existing organizations, information collection, mobilizing resource, assistance operation and rehabilitation planning including relocation the community from risk area.

5. Developmental Credit Facility CODI offers credit facility to community organizations and networks for further development and problem solving in accordance with community master plan. For example, housing loans are available to solve housing insecurity problem in urban areas through the Baan Mankong Program. Meanwhile, loans for holistic development and for community enterprises are meant to serve the need for economic and financial improvement.

6. Community Organizations Certification

CODI has begun registering and certifying community organizations across the country. Classification based on quality and level of development would enable CODI and relevant authorities to monitor and continue supporting the capacity development of these organizations. Between 2005 and 2010, over 82,000 community organizations were certified.

7. Civil Society Support

CODI also supports the work of NGOs, charities, and volunteers that strengthen communities and improving living conditions for local societies.



The Baan Mankong National Collective Housing Program



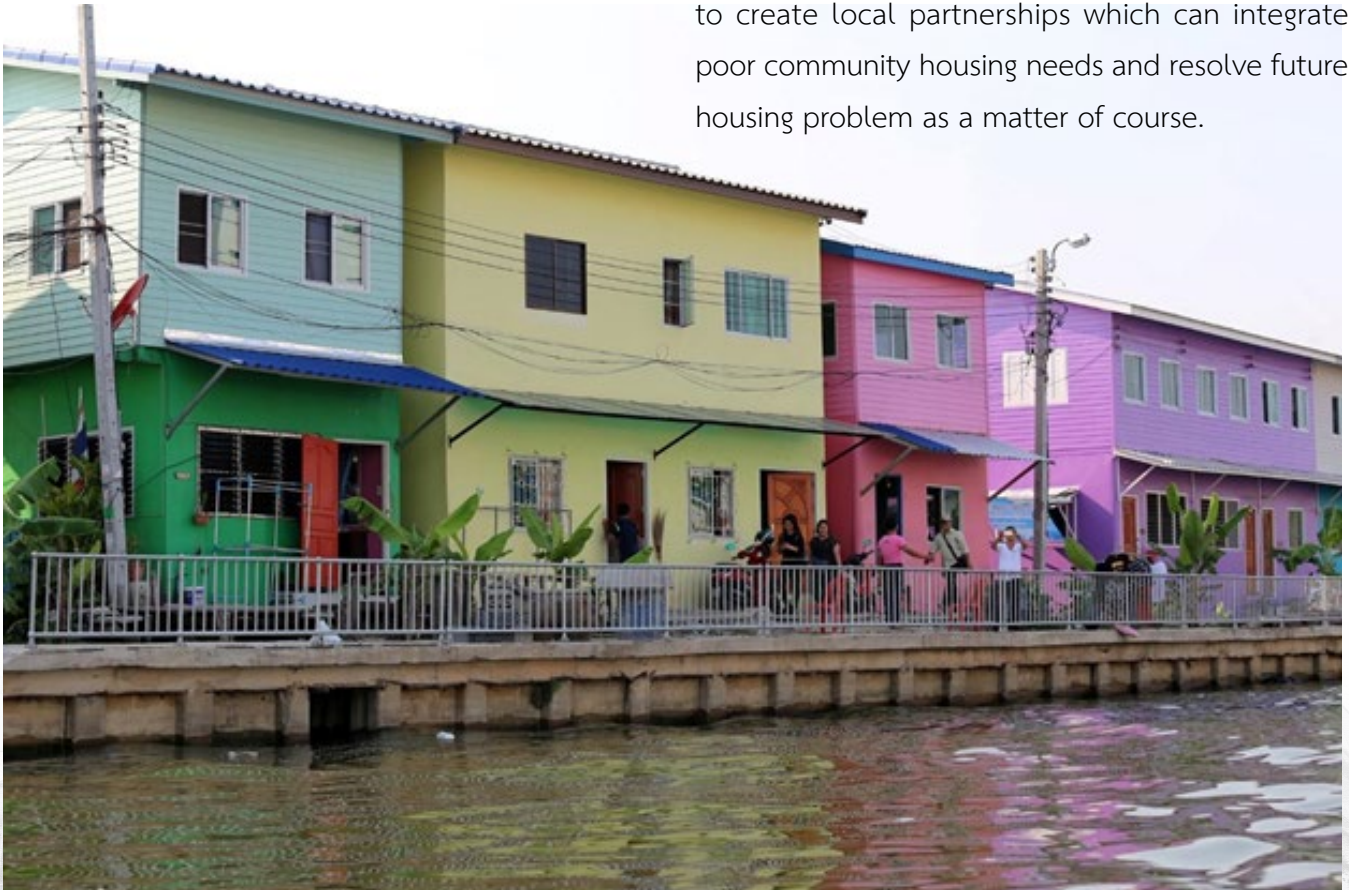
The Baan Mankong Collective Housing Program was launched by the Thai government in January 2003, as part of its efforts to address the housing problems of the country's poorest urban citizens. The program channels government funds, in the form of infrastructure subsidies and soft housing and land loans,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

This unconventional housing program in Thailand is the result of a process which has been developing over the past from accumulation and learning of scattered successful community-driven development experiences from Thailand and from other countries in Asia. It has started with building community savings activities around the country, then forming and strengthening large-scale networks of urban poor communities for various people-driven development and finally using these people's managerial skills to deal with housing problems at city scale. Baan Mankong has been possible as a national program. It is the way to institutionalize city-wide, community-driven approach into a national policy with commitment by the central government to allow people to be the core actors and to decentralize the solution-finding and implementation to cities and communities.



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

By creating space for poor communities, municipalities, professionals and NGOs to work together on the housing problem in their cities, Baan Mankong is bringing about an important change in how the issue of low-income housing is dealt with: no longer as an ad-hoc welfare process but as an important structural issue which relates to the whole city and which can be resolved by new local partnership of poor communities, city government, academia and all other possible development organizations. The upgrading program is helping to create local partnerships which can integrate poor community housing needs and resolve future housing problem as a matter of course.



Why collective housing?

CODI's vision is that (in 2036) poor communities throughout the country are strong and resilient. Our mission is to strengthen community organization as a tool for sustainable development. The aims of collective housing program are cities without slum and inclusive city development.

- CODI past experiences on both rural and urban development suggest that sustainable development cannot be achieved without strong grassroots' organizations and community-driven process.
- In strengthening community organization, community process is quite important whereby collective management is the key element.
- One of CODI main activities is providing loans for community development. The loan is group-based as it is given to a community organization rather than an individual person. So, the loan becomes a tool for group development which helps strengthen community organization.
- All development grants provided by CODI are on group-based basis which CODI allocates to community organizations according to pre-approved plan.
- The core concept of Collective Housing Program is participative and collective ownership. For example, a community savings group is a kind of collective financial management. Each project is run by a community organization, not by a single project manager, hence a collective management. A citywide housing upgrading



plan is also overseen by multi-party committee. Community networks have been built at different layers; city, province, regional and national. Such linkages among these levels create collective movements which are quite powerful. Throughout the process such as community survey, citywide land survey, land selection, community and house design, etc., all require high level of participation and sense of mutual ownership.

- Collective approach assures participation of all stakeholders, especially the poor themselves. It empowers grassroots people, strengthens community organization and creates space for the poor to help and strengthen each other. It is the main approach towards sustainable development.





Key Elements in Baan Mankong Collective Housing.

1. FLEXIBLE FINANCE: One of the most important tools in this people-driven upgrading process is a flexible and accessible finance, in the form of housing and land loan and infrastructure subsidies. Baan Mankong Program's financial mechanism allows communities to manage the program by themselves. When people learn that there are funds which are available to them, people see opportunities for development. Loans from CODI usually carry concessional terms and conditions i.e. low and fixed interest rate, long-term maturity and equal monthly installments. The government also allocates funds to CODI to provide for subsidy in building infrastructures in the project. Such subsidy helps in bringing down the cost substantially.

2. SAVINGS GROUPS: To join the Baan Mankong Program, communities are required to have fairly well-established savings groups. Savings are keys for collective management within the communities. It is not only about saving money, it is also about building trust and expertise in managing their internal resources. From savings together, it could lead to several other activities in order to solve the problems they are facing or to improve their living standard.

3. COLLECTIVE EVERYTHING: The upgrading process calls for all members in the community to find ways to do things together. Even those who are very poor or the least privileged have to be



accounted for, so that no one is left behind. This collectivity is a tool to pull people together and create interactive strength within their group. By uniting together, the poor are empowered to do things they are unable to do individually. This also enables them to connect with outside bodies such as local authorities or other networks to achieve collective land, collective finance, collective management and collective welfare. 3

4. HORIZONTAL SUPPORT: As more and more housing upgrading projects have been implemented all over the country, people are increasingly aware of their opportunities for housing solutions. They learn from each other and increase

their skills accordingly. The program also opens up spaces for poor communities to connect and to support each other.

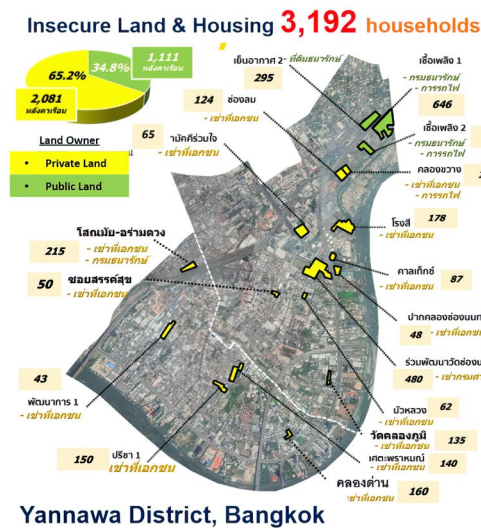
5. TECHNICAL SUPPORT: Baan Mankong Program also provides technical support to upgrading communities especially in the fields of architecture and planning. Several universities have shown interests in working with CODI to assist communities in developing plot layout, housing designs, landscaping, etc. They also send students to work with and learn from community people during the upgrading process. These professional helps have improved the efficiency of the process to a certain extent.



Key Steps in Implementing Baan Mankong Projects

1. Identify stakeholders and explain the program to them.
2. Organize network meetings which may include people from other cities.
3. Organize meetings in each urban poor community, involving municipal staff if possible.
4. Establish 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 mechanism for resolving future housing problems.
5. Joint committee to hold a meeting with representatives from all urban poor communities.
6. Conduct a survey of all communities to get information about number of households and members, housing security, land ownership, infrastructure problems, community organizations, savings activities and existing development initiatives. Conducting survey provides opportunities for people to meet with and learn about each other as well.
7. Using information from the survey to develop a citywide development plan.
8. At the same time, support community collective savings activities. Group savings is not only

City-Wide Upgrading in Yannawa District, Bangkok



Surveys & Mapping

Survey all Communities in district & planning the solution for everyone

City-wide upgrading



about mobilizing local resources but also about strengthening local groups and building collective management skills.

9. Select communities which should be upgraded prior to others. The selection criteria should include the urgency of need and the community's willingness to try and learn.

10. Develop detailed plans for community in the first group. After plans are finalized and approved and financing is readily available, then the construction could start accordingly. These particular projects could serve as learning centers for other communities as well.

11. Starting from the first few projects, the upgrading process can now be extended to cover all other communities including people who live on the fringes of society such as the homeless and migrant workers.

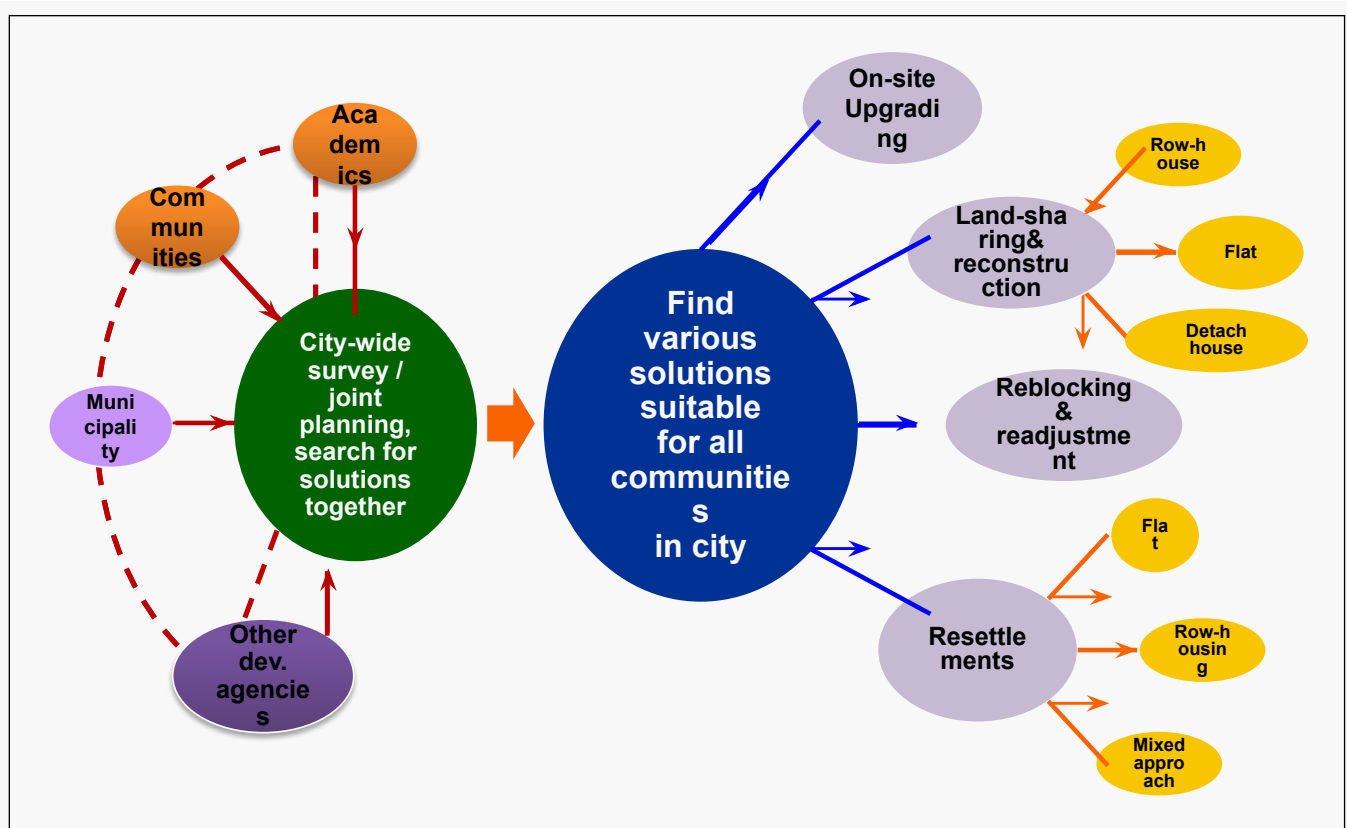
12. Integrate these upgrading initiatives into a city-wide development. This includes coordinating with public and private landowners to provide secure tenure or alternative land for resettlement and coordinating with utility organizations to improve overall infrastructure in a larger scale.

13. Build networks regarding issues of mutual benefits such as common land ownership, shared construction, cooperative enterprises, community welfare and collective maintenance of public resources; canals for example.



Types of Upgrading

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



Community Organizations Development Institute (Public Organization) : CODI
Ministry of Social Development & Human Security





1 On-site UPGRADING: Slum upgrading is a way of improving the physical environment and basic services in existing communities, while preserving their location, character and social structures. Usually upgrading means that the houses, lanes, roads and open spaces are improved, without changing or with adjustment in a layout or plot sizes. Besides improving the physical conditions and quality of life in these poor communities, the physical improvements can act as a springboard for other kind of development such as income generation, welfare and community enterprises.

2 On-side REBLOCKING: Reblocking is a more systematic way of improving the infrastructure and physical conditions in existing communities by making some adjustments to the layout of houses and roads to install sewers, drains, walkways and roads, and to replan the plot size. It is the physical adjustment with more systematic planning in ways which ensure the continuity of the community. Communities can then develop their housing gradually, at their own pace or reconstruct some

of them where there is a need to shift. When communities opt for reblocking, some houses usually have to be moved and partially or entirely reconstructed. Some lanes may also have to be re-aligned to enable drainage lines, water supply systems or sewers to be constructed. Reblocking is often undertaken in cases where communities have negotiated to buy or obtained long term leases for the land they already occupy. In both cases, the process of reblocking is an important step in the progress towards land tenure security and improved housing.





Reblocking at **Charoenchai Nimitmai** in Bangkok, with straightened and widened lanes and rebuilding of many of the houses.

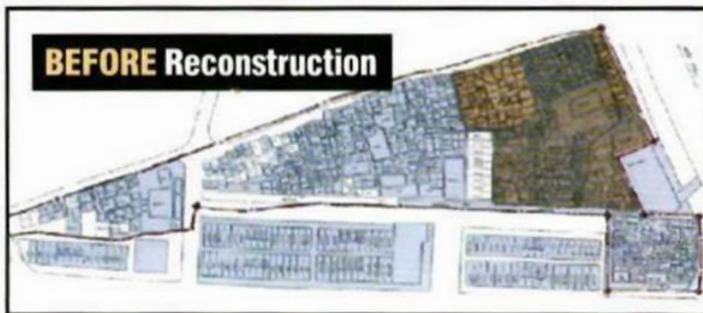
3. On-site RECONSTRUCTION: In this upgrading strategy, existing communities are totally demolished and rebuilt on the same land, either under a long-term lease or after the people have negotiated to purchase the land. The new security of land tenure on the already occupied land often provides community people the needs and with a very strong incentive to invest in their housing, through rebuilding or new construction. Although the reconstruction option involves making considerable physical changes within the community and requires some adaptations to a new environment, the strategy allows people to continue living in the same place and to remain close to their places of work and vital support systems with totally new environment.

Lad Prao Canal's Housing Development Project

Runemai Phattana Community, Bang Khan District, Bangkok



4. LAND SHARING: Land-sharing is a housing and settlement improvement strategy which allows both the land-owner and the community people to share the land and the benefit. The former slum land, after the agreement, always have to be divided into two portions. The community is given, sold or leased one portion (usually the less commercially attractive part of the site) for reconstructing their housing and the rest of the land is returned to the land-owner to sell or to develop. There is no rule about how the land is divided: the amount of land the people get and how much goes back to the owner is settled by negotiations. At the core of a land sharing process is the ability to translate conflicting needs and conflicting demands into a compromise which takes a concrete “win-win” form, and which is acceptable to all parties involved. The people may end up with less area than they had before but with better conditions and to build their secure housing, and the land-owner may get back less-than all of his land, but the trade-off is that the poor will no longer be squatters but the legal no longer or tenants of their land. And the landlord finally gets to develop the land.

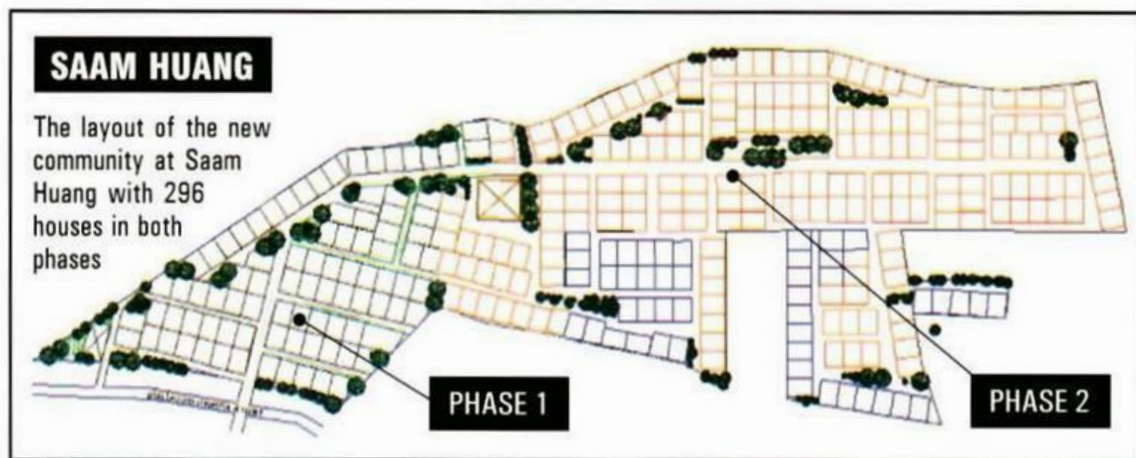


Reconstruction of the first phase of **Bonkai**, in Bangkok, a large slum on public land which was almost completely burned down and negotiated to get a long term lease and rebuild the settlement.



5. RELOCATION The greatest advantage of the relocation strategy is that it usually comes with housing security in new environment which community can design and build without too much existing conditions. They can also get their land use rights, outright ownership or some kind of long-term land lease. Relocation sites can be nearby or sometimes be far from existing communities, job opportunities, support structures and school. In these cases, community members who want to keep their old jobs or attend the same school must bear the burden of additional traveling time and

expense and must adapt themselves to a new environment. But in many towns and cities around the country, resourceful communities and finding bits of land to buy or rent cheaply for their housing that are not far away at all. In all cases of relocation – whether it is nearby or not-so-nearby relocation – communities face the cost of reconstructing their houses at the new site, and in some cases the additional burden of land purchase payments. But tenure security tends to be a big incentive to invest in housing and environmental development at the new



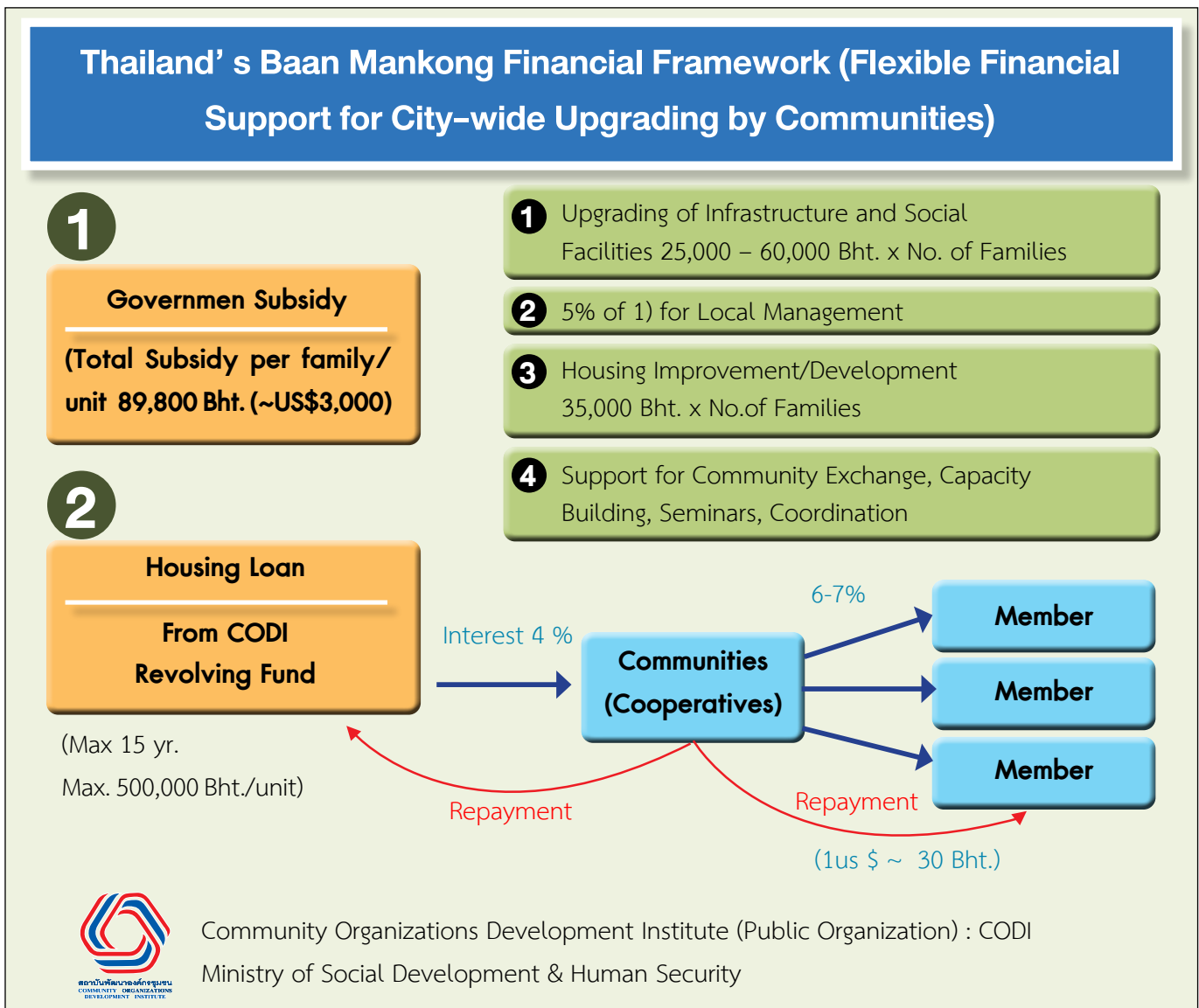
▲ **BEFORE :**



▲ **AFTER :**

Budget & Funding Methods.¹

There are two main sources of fund in Baan Mankong Program; infrastructure subsidy totaling 8,138 Baht per household (about USD 2,187) and loans from CODI for land and housing.



1. GRANT AND SUBSIDIES

1.1 Infrastructure subsidies vary based on types of upgrading.

- On-site upgrading, the amount of subsidy is 25,000 Baht (657USD) per family
- Reconstruction, the amount of subsidy is 50,000 Baht (1,315USD) per family whether communities are reconstructed on the land they now occupy or are relocated to different plot of land.

¹ 1 US\$ = 38 Baht as June 2024



- High-rise building, the amount of subsidy is 60,000 Baht (1,578 USD) per family
- A subsidy for develop the environment and quality of life is 650 Baht (17 USD) per family

1.2 Support for local coordination and administrative expenses is set at 5% of the total infrastructure subsidy. This amount will be made available to an organization the upgrading community (or the community network) selects to assist and support their local upgrading process. This could be an NGO, another community network, a local university, a group of architects, or a local government agency.

1.3 Supporting for Housing improvement/development is 35,000 Baht (921 USD) per family. This part of the Baan Mankong subsidy package comes in the form of a grant to each family, at the start of the project, to subsidize the cost of building their new house or upgrading their existing house. In cases where community members don't wish to take CODI housing loans, they can use this subsidy to improve their existing houses or build a very simple new house.



1.4 Support for capacity building, learning and coordinating expenses. Capacity building is very important in collective housing process because people are core actors. So, during the process, it is necessary to hold meetings, seminars and trainings either among community people themselves or with professionals. Exchange visits between people from different communities or different cities are also beneficial as people tend to learn more from their peers. Apart from capacity building expenses, the grant also covers coordinating expenses incurred by community networks and CODI.

2. LAND AND HOUSING LOAN

Soft loans are made available from CODI to community organizations in order to pass on loan proceeds to participating families. Loans are used to acquire land, improve existing houses or build new ones. Interest rate on the loan is fixed at 4% per annum for the entire maturity of 20 years. The community organization will on-lend the funds to each family by adding about 2-3% margin from CODI interest rate. So, the rate end-users pay is around 6-7% per annum. The borrowing organization will use the margin to cover its expenses in managing the loan and serve as cushion in the case of late repayment or default by individual family. The maximum loan amount per family is 360,000 Baht



(11,250USD). Prior to obtaining CODI loan, the community must have set up its own savings group, either formally registered as a cooperatives or an informal one, and has to accumulate savings not less than 10% of the total loan amount.



Differences between collective approach and conventional approach

1. In collective approach, urban poor communities are key actors in every step of the process; project planning, financial management, and project implementation. People also take part in housing construction instead of using outside contractor. It is a cost saving method but at the same time it encourages people's participation and contribution to the project.



2. Collective approach is demand driven. The project only serves communities which have the need for improving their settlements and are ready to be on board. This approach requires high participation of people in the community which means that the overall project such as the designs, costs, common facilities, etc., has been tailored to community's needs

contribute more to the society both economically and socially.

3. Collective housing is much more than physical upgrading. It opens opportunity for people to design their own society in terms of physical environment and social connection. Once their informal settlements have been transformed into legal ones, people feel visible and proud and could

4. Citywide upgrading enhances inclusive city development concept as urban poor communities are integrated in a city plan with community people taking part in the planning on par with other stakeholders in the city.

5. Collective approach is neither a top down nor centralized approach where government agencies are responsible for planning, implementation and overseeing housing construction and delivery and people are mere beneficiaries.

6. There are several options in securing land tenure for the people and may vary on a case by case. They are, for example, collective land ownership, long-term lease, land swaps and granting of usage rights.



Social and economic impact of Baan Mankong.

After several years since Baan Mankong Collective Housing Program has been implemented, many participating households have concluded about the impact of Baan Mankong as follows:



Human security

- Permanent and secured housing and land for the poor, no more fear of eviction.
- Welfare for all.
- Stable income and family savings.
- Better environment and neighborhood.
- Safety of life and property.
- No one is left behind.



Participation on city development.

- Slums are replaced with clean and good surrounding communities.
- Wasteland has been developed and hence increasing value.
- Basic infrastructures have been improved in areas once neglected, lifting standard of living of low income people.
- The program has helped solve the problem of the poor.
- It enhances inclusive city development with local governments and other stakeholders.



Empower the people.

- The process enhances grassroots democracy; all people have their voice heard.
- Giving opportunities for the poor on learning, decision making, voicing their need, 8
- Empower the poor
- Widen people's thinking and attitude towards sustainable development.
- Increase people's skill on finance management, group process, community survey, coordination, construction, etc.

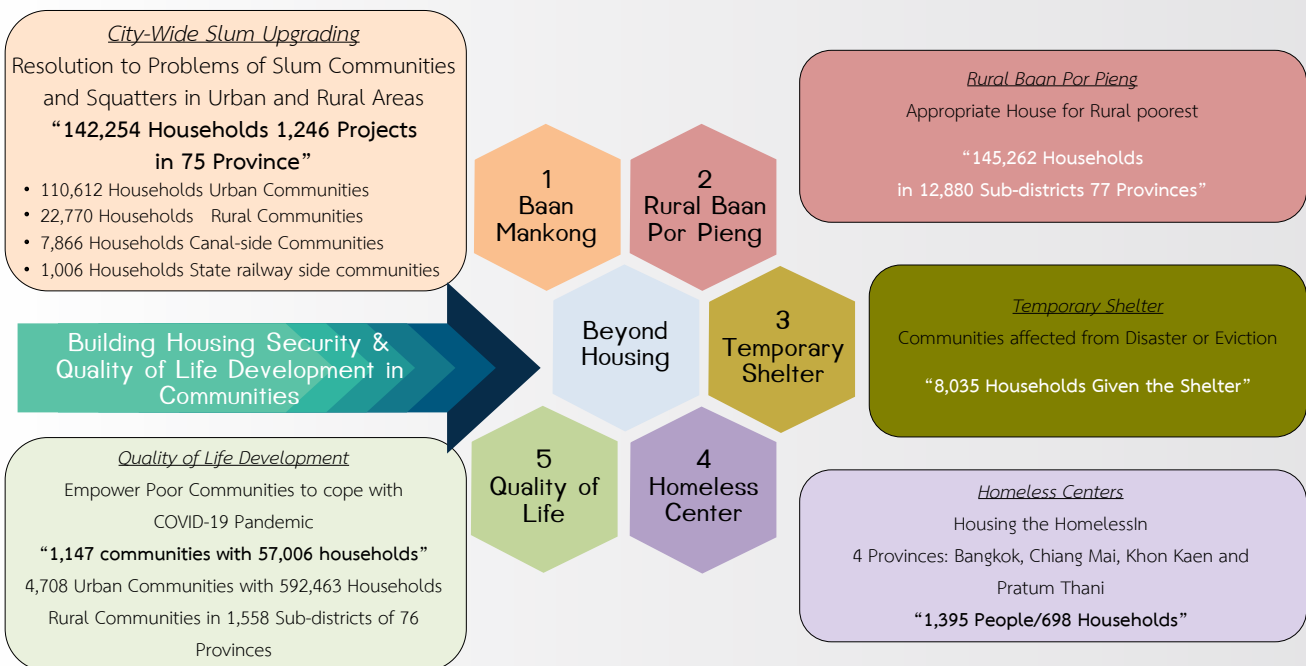


Better society and relationship.

- People realize their roles as givers not takers.
- Working towards learning community and learning society.
- No more discrimination on development work.
- Create more innovation on community development.
- People become more active in helping others.

Performan of BAAN MANKONG Collective Housing Program (as of March 2024)

Current Housing Development Program & Activities implemented in Urban and Rural Poor Communities



March 2024



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