

VII. PROVIDING HOUSING FOR THE POOR

This session highlighted the diversity in housing situations among countries and featured three completely different approaches to poverty issues.

Dr. P.K. Mohanty provided a detailed account of the housing scenario in India and the programs introduced by the national Government for housing the poor. He also recounted the initiatives of the Government of Andhra Pradesh and its achievements in housing delivery for the poor.

Mr. Andrew Regalado described the approach adopted by the Habitat for Humanity Philippines Foundation and its activities. In an analysis of the housing scenario in the Philippines, he touched upon the key shelter issues, especially in the context of the poor, and the role of various governmental agencies in provision of shelter and services. NGOs like Habitat for Humanity are assisting the Government in its efforts. The key message that emerged from Mr. Regalado's presentation was that the gap between available and required housing is so large that it cannot entirely be bridged through direct interventions of the Government. Partnerships with stakeholders are essential; NGOs can play the critical role of forming an interface between poor communities and the city government. They can assist in empowering communities and building partnerships.

Ms. Somsook Boonyabancha made a forceful presentation on the problems of traditional models of housing development and the fresh approaches being adopted, especially in Thailand. She

highlighted the major housing problems for the poor, viz., the problems of substandard housing and living environment, and that of eviction. Speaking of the inability of the poor to access housing, she brought out the need to examine and evaluate past experiences in providing housing for the poor and to develop a comprehensive approach, an approach that would put the poor at the center of the development process. A piecemeal, project-based approach to housing cannot possibly work. She also drove home the point that all the poor must be included in this process, irrespective of their legal status.

Ms. Somsook's presentation carried the message that building participatory-housing development processes is perhaps the only way of giving people a voice and choice on how and where they want to live. A comprehensive development process, such as that adopted by the Urban Community Development Office in Thailand, must begin with building community savings. Money brings people together and gives them communal decision-making power. Another key point that was highlighted was the need to network poor groups in order to consolidate their savings and strengthen their case while negotiating for basic needs. The poor normally live in scattered and disaggregated settlements. However, there are enormous resources within communities that can be tapped and channeled into the right direction.

In the open discussion following the presentations, participants observed that there is a range of housing development options that have been tried and tested in Asian countries. Some of these include on-site community improvement, land sharing, reconstruction and development, and land exchange and readjustment. The essence of the discussion was that the role of local governments as enabler is quite critical. Governments must play the role of facilitator, enabling the land and housing

market to operate freely, and regulating it as required to ensure equity. Additionally, local governments must ensure that all actors, not just the formal private sector, participate in the housing development process.

Discussions on this theme also centered on the issue of land, concluding that two levels of intervention for land management are required. At the national level, there is a need to set out policy clearly, to modify and simplify legislation, and develop a policy environment for private-sector participation. At the local level, it is important to ensure that housing for the poor is part of the city master plan or structural plan and not an ad hoc exercise.

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Approach to Housing Development in India

After Independence, housing in India was accorded a relatively low priority in the national development program, presumably with the objective of keeping it a private-sector activity. The low budgetary support given to the housing sector is evident from the fact that the first Five-year Plan of India allocated 7.4 percent of the total plan resources for housing; the share of housing in subsequent plans has ranged between 1.2 and 4.9 percent. Government agencies, however, played a strong supporting role in the provision of housing for the poorer sections of society, including allocation of land. Over the years there has been a gradual shift in the role of the Government from a 'provider' to a 'facilitator', ensuring access to developed land, basic services, building materials, technology, construction skills,

The facilitating approach aims at fostering strong public-private sector partnerships.

and finance so that housing can be undertaken as a people's program. The facilitating approach aims at fostering strong public-private sector partnerships with the provision of appropriate incentives to the private sector; promotion of housing finance institutions; propagation of alternative building materials and technologies; and extension of support to NGOs, CBOs, cooperatives, and the private sector.

The Government of India and state governments adopted a two-pronged approach to housing development for the poor in the past, i. e. sites and services, and permanent housing. Under sites and services, basic infrastructure facilities like drinking water, internal roads, approach roads, drainage, and community toilets were provided. Beneficiaries were also given construction assistance to erect a small shelter. The permanent housing program, which has replaced sites and services, was initially confined to those beneficiaries who could avail of a loan facility. Later, several modifications were made to the program to address the housing needs of different target groups. The broad elements of the present approach of the Government of India to tackle the problem of housing the poor are

- special programs/targeted subsidies to the poor and vulnerable groups;
- loan assistance to government agencies/beneficiaries through the Housing and Urban Development Corporation (HUDCO) at below-market interest rate for housing and at the normal rate for infrastructure;
- creation of housing assets as part of employment and income-generation programs;
- promotion of cost-effective and eco-friendly building materials and technologies; and
- creation of an enabling environment for private-sector initiatives. *Indira Awas Yojana*

is an example, in which housing for various targeted groups is provided in rural areas through employment creation.

Housing and Urban Development Corporation (HUDCO)

HUDCO was established in 1970 as a fully-owned enterprise of the Government of India with an equity base of Rs20 million, to function as a national techno-financial institution to promote housing and urban development. The objectives of HUDCO are to provide finance for and undertake housing programs in both urban and rural areas. Key activities of HUDCO include

- lending for housing programs such as urban housing, rural housing, staff rental housing, cooperative housing, working women's housing, housing schemes through NGOs and CBOs, and housing through private builders;
- lending for urban infrastructure including land acquisition for projects, integrated land acquisition and development, integrated area development/new township projects, and city-level, social, and commercial infrastructure;
- consultancy services in the field of housing, township development, and infrastructure development;
- promotion of building centers for technology transfer and support to building material industries; and
- training in human settlements and technical assistance to borrowing agencies.

The borrowers from HUDCO are state urban infrastructure finance and development corporations, water supply and sewerage boards,

HUDCO has contributed to the development of 10.14 million dwelling units and 4.7 million low-cost sanitation units.

urban development authorities, state housing boards, the National Capital Region Planning Board, new town development agencies such as the City and Industrial Development Corporation, Mumbai municipal corporations/municipalities, improvement trusts, and private companies and agencies.

HUDCO's operations extend over 1,760 towns and thousands of villages in the country. Since its inception, HUDCO has sanctioned 14,821 projects with a total cost of Rs48.51 billion (US\$11.54 billion). HUDCO has contributed to the development of 10.14 million dwelling units and 4.7 million low-cost sanitation units. HUDCO's infrastructure financing portfolio is growing at a phenomenal rate. During the last 10 years, it has sanctioned Rs12.24 billion (US\$2.9 billion) for infrastructure projects covering water supply, sewerage, drainage, solid waste management, low cost sanitation, etc.

National Housing and Habitat Policy 1998

In 1994, India adopted the National Housing Policy (NHP), which recognizes the key role of the Government as facilitator rather than provider of housing services. The National Housing and Habitat Policy (NH&HP) 1998 is a continuation of the NHP. It calls for a housing revolution in the country and focuses on the changed roles of various stakeholders in the housing development process in the new economic environment of liberalization and globalization. The broad aims of NH&HP are

- creation of surpluses in housing stock either on rental or ownership basis;
- providing quality and cost-effective housing and shelter options to the citizens, especially for vulnerable groups and the poor;

- guiding urban and rural settlements to ensure planned and balanced growth and healthy environments;
- making urban transport an integral part of the urban master plan;
- using the housing sector to generate more employment and achieve skill upgrading in housing and building activities;
- promoting accessibility of dwelling units to basic facilities like sanitation and drinking water;
- removing legal, financial, and administrative barriers for accessing land, finance, and technology for housing; and
- forging strong partnerships between the private, public, and cooperative sectors in housing and habitat projects.

The NH&HP envisages a key role for the Government of India in promoting policy and legal reforms, facilitating the flow of resources to housing and infrastructure through such measures as fiscal concessions to investors and promoting the creation of a secondary mortgage market. The state governments are expected to gradually withdraw from direct construction of houses, liberalize the legal and regulatory regime to give a boost to the housing and infrastructure industries, promote the private sector and cooperatives, and facilitate access of the poor to land, finance, low-cost and locally-suited engineering solutions, and participatory designs.

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The Two Million Housing Program

The National Agenda for Governance—the election manifesto of the present Government—recognizes "housing for all" as a national priority. It has set as a target the construction of 2 million additional houses every year, of which 0.7 million are to be in urban

areas and 1.3 million in rural areas. A program of this magnitude is expected to result in an investment of about Rs80 billion in housing construction activities. This should also boost cement, steel, and other building material industries in addition to creating substantial employment in this sector. Every million rupees spent by the construction industry generates about 75 person-years of employment.

The Andhra Pradesh Model: Self-help and Mutual Help

Andhra Pradesh is a pioneer state for implementing innovative housing programs for the poor on a large scale. The State Housing Corporation Limited, established in 1979 to formulate, promote, and execute housing schemes for the weaker sections of society, had constructed about 3.6 million houses by 31 March 2000; of these 2.4 million were in rural areas. It has been ranked first in the country in the implementation of housing for the poor in rural areas since 1991-92. Households with an annual income of Rs13,000 or less have been eligible for houses under various schemes since 1996-97. Fifty percent of the houses are earmarked for scheduled castes and scheduled tribes, 33 percent for backward castes, 7 percent for minorities, and the remaining 10 percent for other economically weak groups. The funding of the housing program includes subsidy from the government and loans from various financial institutions for the repayment of which the government stands guarantee, irrespective of the ultimate recovery from beneficiaries. Loans are mobilized from HUDCO, life insurance and general insurance corporations, and commercial banks.

The basic concepts and features based on which the Weaker Section Housing Program is being implemented in are as follows:

- "self-help and mutual help" by the beneficiaries and their full participation in decision making and implementation, consequently resulting in their capacity building;
- the concept of a "core house", which is easily expandable depending upon improvement in the economic position of the beneficiaries and their needs. The adequacy of the accommodation is not relevant as the government gives only fixed financial assistance to the beneficiary;
- cost-effective and eco-friendly building materials and construction technologies; and
- the principal bank branch system in handling finances. The amount due to beneficiaries is directly credited to their individual bank accounts. One bank is designated as the nodal or principal bank for each scheme. The nodal bank promotes banking habits and thrift and credit among beneficiaries.

Some Directions for the Future

Although the NH&HP emphasizes the facilitating role of the government in housing, public-sector agencies are not absolved of the responsibility of providing housing to those segments of the population that cannot be served by the market. However, a new approach is needed for issues such as

- consultations with beneficiaries on location;
- design and cost aspects of shelter;
- affordable shelter options for the very poor;
- integration of income generation and housing;
- eligibility criteria for availing of housing finance and providing collateral;
- easier availability of plots and houses from public and private providers;

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- assistance for house construction and speedy approvals for construction of infrastructural services; and
- simplification of documentation and procedures.

Housing subsidies often benefit the salaried employees of the formal sector including the government and the recipients of tax concessions for housing investment. Implicit subsidies to beneficiaries of social housing schemes arise from loan waivers, low cost-recovery rate, concessional interest rates, and inefficiencies absorbed by the agencies. The schemes involving a combination of concessional loan and subsidy affect the extension of viable nonsubsidized finance, based on rigorously enforced cost recovery.

The state governments need to adopt a policy on the regularization of tenure and conferment of leasehold or occupancy rights to slum dwellers, at least in areas not needed by public agencies. The NH&HP emphasizes the granting of occupancy rights to slum dwellers and providing support for progressive slum redevelopment and improvement schemes. Also, physical and social planning should be city wide so as to integrate the informal sector in the city's economy and social life.

With the Union Budgets for 1998-99 and 1999-2000 according a new thrust to housing in the National Agenda for Governance, the central and state governments have initiated an agenda for housing sector reforms. The reform areas include

- public-private sector partnerships to ensure a fair return on investment to the private land owners/developers through guided development and availability of serviced sites for allotment to low-income families at affordable prices;

- measures to control the continuing spiral of land prices, speculation, shortage of developed land, and increasing pace of unregulated and environmentally damaging land development;
- increased availability of developed land through measures such as reservation of 5 percent of the land in larger areas as a land bank for economically weaker sections and low-income groups, and for land pooling, land readjustment, etc.;
- restructuring of housing finance institutions to meet the housing finance needs of the formal sector as well as the poor and the informal sector; a revision of current eligibility norms that inhibit the flow of a significant proportion of funds from the formal sector to the poorer sections of the population is needed;
- establishment of linkages with informal credit systems along with granting security of tenure to slum dwellers and reforms related to land title, building regulations, etc., with a view to assisting the poor to access institutional finance for housing;
- community resource mobilization through schemes such as an insurance-linked savings-cum-loan-cum-subsidy scheme for shelter for the poor engaged in informal sector activities, under which a house is insured for Rs25,000 against damage due to fire, lightning, flood, storm, tempest, cyclone, etc. for a nominal one-time premium of Rs150;
- increased involvement of NGOs/CBOs/cooperatives to promote self-help, mutual help, thrift and credit, self-management, community empowerment, etc. There is a need for shifting to community-based nonsubsidized loan mechanisms, as adopted

by SEWA in Gujarat, targeted at the poor and sustained by beneficiary savings for shelter and group guarantees;

- promotion of high-density housing in selected areas in cities through appropriate amendments to zoning and land-use regulations to obviate costly land acquisition and high infrastructure costs;
- adoption of small-lot zoning in parts of large-lot layouts, making it mandatory on the part of developers to divide part of the land being developed into small plots and make them available to the poor;
- promotion of rental housing through the balancing of landowner and tenant interests so that a supply of housing at affordable rents is ensured and there is an incentive for people to build houses for themselves and for others;
- propagation of cost-effective and eco-friendly building materials and technologies, and up-scaling of innovative products to make them marketable and amenable for mass application; and
- making municipalities responsible for programs of poverty alleviation and slum improvement in urban areas and for mobilizing local support and effort.

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Habitat for Humanity Philippines (HFHP) is the national affiliate of Habitat for Humanity International (HFHI), a housing movement dedicated to the vision of eliminating poverty-type housing and homelessness from the face of the earth by building houses with and for the lowest 30

percent of the income-generating strata. HFHI's ultimate purpose is to put shelter in the hearts and minds of people in such a powerful way that poverty-type housing and homelessness become socially, politically, and morally unacceptable.

Millard and Linda Fuller established HFHI in the US in 1976 as a privately funded and volunteer-led organization. It came to the Philippines in 1988. As of December 1999, HFHI had built a total of 60,000 homes around the world, including 2,776 units in the Philippines. Another 2,000 homes will be built through different programs in 2000 in the Philippines alone. This effort is in turn part of a larger one that is targeted at building a total of 20,000 homes by 2005.

Programs

Part of HFHP's success is based on a pioneering system it has developed and perfected over the years, which uses both traditional and unconventional means to perpetuate a self-sustaining housing program with the poor.

First, HFHP solicits and accepts traditional donations, such as cash and gifts, as well as donations of construction materials. These donations go into a fund, which we call "Fund for Humanity", and which is used to pay for the construction of the housing units.

Second, HFHP is able to lower construction costs through volunteer labor and this is where Habitat's system is unique. Volunteers are invited to work side by side with home-partner families and no skills are required for this feat. HFHP also makes use of a concept called "sweat equity". Sweat equity is a novel concept in which prospective homeowners are required to put in at least 400 person-hours of construction work in building their own house and that of their neighbors.

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Finally, and most significant, home-partners are not given the houses. They are required to pay for the cost of the construction in installment payments, on a nonprofit, no interest basis, over a long period with an inclusion of an inflation clause. Their payments, in turn, go back into the Fund for Humanity.

These payment terms instill discipline, rigor, and a sense of responsibility in the lives of the home-partners and also allow them to contribute to a fund that is used to help others in building a home with another family in need. And this makes them truly a part of the whole HFHP. That is the reason why they are called "home-partners" rather than "beneficiaries", and why it is "building *with* people in need" rather than "building *for* people in need". These home-partners are oriented on the works of HFHP and are also trained in capacity building.

Family Selection

HFHP selection criteria are that the family must

- belong in the lowest 30 percent of the economic strata;
- have the capacity and willingness to pay for the house;
- be a member of the target organization or community that is being housed;
- have no capability to borrow from any funding agency;
- not have any real property;
- be from the informal sector; and
- be willing to partner with HFHP through rendering sweat equity and participating in its programs.

Affiliate Formation

HFHP adopts affiliate development as a key strategy to create awareness and support in eradicating poverty housing all over the country. An affiliate is an independent Habitat for Humanity organization that is duly registered in the Securities and Exchange Commission. It has its own constitution, by-laws, and board of trustees. The affiliation process has six basic stages, and usually takes six to twelve months depending on the commitment of the core group in an area. There are currently 16 affiliates in the Philippines.

Operations Development

Affordability. HFHP's responsibility as a nonprofit organization is to determine what a simple, decent, affordable, and healthy house is and build it. Although it is HFHP's role to help determine the design of the house, HFHP also takes into consideration the important elements that make a house a livable one. In the Philippines National Capital Region, the cost of the house must not exceed P85,000 (about US\$2,000) including labor and administrative expenses, with a repayment schedule of 15 years. This cost may be lower in other HFH projects outside the Region. Skilled laborers are employed to supervise the construction, although hiring is kept to the minimum due to the participation of individuals as volunteers and the home-partner families rendering "sweat equity", which lowers the labor aspect of the house cost.

In the Philippines National Capital Region, the cost of the house must not exceed P85,000 (about US\$2,000).

Sustainability. The repayment scheme through the revolving Fund for Humanity sustains the program on a long-term basis. Also, the inclusion of an inflation clause conforms to the house-for-a-house concept. This concept enables one family to pay the cost of one house after 15 years that will be

Families are empowered by having the opportunity to decide on the process of construction of their homes.

built with another family in need. At present, the average repayment rate of all the affiliates in the Philippines is 70 percent, with a target of 85 percent. These repayments stay within the affiliate to be used in the construction of more houses and in the building of more communities.

Providing the community a "sense of ownership" of the project also affects the sustainability of the program. Families are empowered by having the opportunity to decide on the process of construction of their homes. They can choose a house design that is feasible, affordable, and decent. A homeowners' association is also organized, which helps in the collection of the monthly amortization and in the implementation of the programs.

Challenges. Since the members of the HFHP and affiliate boards of trustees are volunteers, their time and commitment with HFHP is not on a full-time basis. It is important that each affiliate hire staff to do the administrative and day-to-day works of the programs.

It is inevitable that problems within the community arise, especially with the diverse background of the home-partner families. HFHP provides a venue for them to interact through teambuilding activities, value formation seminars, and other community-related projects.

Project Development

Initiatives. The program of HFHP received a tremendous boost through the 16th Jimmy Carter Work Project (JCWP) in 1999. Former US President Jimmy Carter started lending his name to Habitat for Humanity in 1984 through the annual international Habitat event. Carter, together with his wife Rosalynn, came to the Philippines to build homes with 14,000 volunteers, including 2,500

volunteers from 32 other countries. In that week, these volunteers in six sites built a record of 293 new homes across the country. This special project has resulted in a wider donor and volunteer base, better name recall, and inquiries for affiliation from all over the country.

But with a housing need of 4.2 million units, HFHP is driven to expand its programs. With the success of the JCWP '99, HFHP thought of sustaining the interest of the public by involving the youth. Thus, the Youth Build 2000 project was launched. This project is to lay the groundwork for the Campus Chapters and Youth Programs (CCYP) of Habitat for Humanity. The project uses school and youth groups as volunteers in building houses.

Pilot Projects. Aside from special events, HFHP ventures into new endeavors through pilot projects. A very distinctive one is the integration of Christians and Muslims in one community in the Iligan City affiliate. With the principle of inclusiveness and diversity, HFHP hopes that this model community will help build peace in the war-torn Mindanao area.

Partnerships

HFHP has partnered with different churches, civic organizations, NGOs, schools, youth groups, corporations, government units and agencies, international groups and linkages, national government alliances, communities, and individuals in many ways.

The most common way is through fielding volunteers to the different HFH affiliates. Some also support in the material and financial needs and other basic facilities and services through donations and in-kind gifts. Other partners help in the establishment of livelihood projects to sustain the community.

HFHP's latest milestone is partnership with the National Housing Authority (NHA) and LGUs. A memorandum of agreement in 1999 between HFHP and NHA makes the latter responsible for land acquisition, site development, submission of the list of bona fide families, coordination with the LGU, securing government permits, and assistance in training and livelihood projects. HFHP determines qualified home-partners, constructs houses with the prospected homeowners, and helps value formation of the selected home-partners.

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For most people living in poor communities, eviction poses the most severe threat to their daily lives.

A report from the Asian Coalition for Housing Rights Eviction Watch Program revealed that during 1996-1997, about 254,000 families (about 1.5 million people) were evicted from their homes in Asian cities, and another 2.2 million people were under imminent danger of eviction. For most people living in poor communities, eviction poses the most severe threat to their daily lives, and has many consequences:

- destruction of intricate social and survival networks;
- destruction of life savings and family assets;
- increased cost of living;
- destabilized household economies; and
- worsening conditions of poverty.

When eviction is followed by resettlement in state-planned relocation colonies on the fringe of the city, many people find these places too far from jobs, schools, and survival networks and opt to find a place in another slum nearby. After eviction,

many end up as informal renters in nearby slums, where their living expenses are even higher, and their security in life several notches lower. In effect, the overall problem of the city has not been solved, but made worse.

The Need for a New Approach

There is a need for a new vision for urban poor housing development in the new millennium. In past decades, cities did not understand their own uncontrollable development situation and were reluctant to accept all the poor as bona fide citizens. Thus, problems were solved on an ad-hoc basis. A more comprehensive approach is needed, which can be adjusted and integrated into each city in order to achieve authentic community and housing development at scale.

One approach to this is for the city to make the urban poor groups active partners in the city development process and gradual housing development. However, it is necessary that the city develops new attitudes towards the poor, acquires new skills to listen and understand the poor, and uses their strengths in the development process. The city should also change its role from that of an "authority" to a facilitator in building the power for development using all city partners, especially the poor. Many attempts to launch this new approach have failed because the institutions concerned retained their conventional attitudes. Finally, the city should create new collaborative spaces for various city development efforts, including housing for the poor that will allow relevant actors to work together harmoniously and productively. This paper elaborates on these views and provides some examples from Thailand.

Key Elements of the New Approach

Following are some of the key elements of the approach.

The poor must become the active agents of development, at the center of the process.

- Find ways to work in which the poor become the subject of the housing development project, not the object. The poor must become the active agents of development, at the center of the process, not the recipients or beneficiaries of somebody else's idea or project.
- Include all poor people who live in the city. Successful planning must accept the reality of the poor's need to exist and work in the city. The poor may have different status and legitimacy, but it is a matter of understanding and finding different ways to work on a process of inclusion, not exclusion.
- Make use of participatory housing development processes as a means of legitimization, inclusion, and learning for the poor and for all parties involved.
- Major planning and development activities and their implementation in the city should be decided on and managed through a partnership of local development actors such as the city administration, NGOs, and urban poor federations. This partnership should work together as a team to deal with development processes and other related institutions.
- All possible resources should be channeled to support this local, collaborative process to address city-wide housing development problems.
- The roles of central government organizations should be changed to facilitate and support the partnership between municipalities and urban poor organizations

instead of following the old, unworkable pattern of centrally planned, implemented, and controlled decision making.

A Comprehensive Development Process

Following are some possible directions for development according to the new approach proposed above. This process could be initiated in any Asian city, beginning with small-scale simple activities and leading to city-wide processes. With support from national development organizations, the process can move much easier and faster, but any city can proceed without this national backing through extensive coordination with other concerned organizations. The process can be developed through the following seven steps, which are described in detail below:

1. starting the process of community savings and credit activities;
2. networking of urban poor communities;
3. city-wide survey of all urban poor communities;
4. supporting community development activities;
5. planning for housing solutions for all urban poor settlements in the city;
6. learning about diverse housing development options; and
7. development of credit for housing development.

1. Starting the Process of Community Savings and Credit Activities

Community-managed savings and credit programs have emerged as one of the most powerful tools for drawing together the many people and disparate groups that exist within poor communities.

Because they are controlled and operated by community people themselves, savings and credit programs build a community's own resource base. People can develop themselves and provide for their own needs, both individually and collectively, through the ongoing process of regular, concrete decisions that are inherent in collective management of a savings and credit program. This process is grounded on daily services, is quick and simple, and relates to the real daily needs of the urban poor—as defined by the poor themselves.

The poor can enjoy the pride that comes from being owners of a process.

Savings and credit activities also create an ongoing process for the community members to learn about each other's lives, how to manage together, and how to relate to outside systems with better financial strength that will enable them to achieve more than their daily needs. This means that the poor can enjoy the pride that comes from being owners of a process, not merely recipients waiting for mercy from outside. And if these community processes can link up with a good credit system, poor communities will be able to access formal financial resources in order to support their own development process, which they can manage.

2. *Networking of Urban Poor Communities*

Experiences in several Asian countries show that scattered and small-scale savings and credit groups, when they develop further and become more mature, are likely to link to other groups and form networks with some kind of connected financial base. These larger collaborations provide groups with access to greater financial resources, knowledge, and enhanced clout when negotiating for basic needs. They also lead to further collaboration and networking. This process has political implications, since the stronger status of large networks makes it possible for the poor to deal with larger, structural issues related to their

problems—issues that were beyond their capacity before.

It is important that community networks be organized from the bottom up, from the smallest constituency acting as the base to link with larger constituencies. In Thailand, community networks begin by linking communities in the same district or city, then link together at provincial, regional, and national levels. There are also community networks that link with each other around the same common development issues, such as networks of communities located on state railway land, communities along canals, or communities linked by shared enterprises or welfare activities.

It is important that community networks be organized from the bottom up.

3. City-wide Survey of all Urban Poor Communities

The purpose of a city-wide survey of poor communities is to gather overall information about the lives and living conditions of the urban poor. Such a survey also makes an effective community network builder, since the surveying process involves making many new contacts with urban poor groups around the city. The survey process gives the poor a rigorous tool for understanding, learning about, and comparing the different situations in which they live. After the survey, the community network can help new groups to organize and start community saving and credit activities as well as other necessary development activities. Apart from that, a survey will provide well-rounded information on the urban poor in the city as the basis for further development and planning.

4. Supporting Community Development Activities

Housing development among all urban poor groups in the city will take time to plan and achieve.

Provision of a community environment fund has enabled poor communities to work together on a wide range of community development projects.

Meanwhile, the city can develop a "community development fund" that poor communities can tap to implement proposals for their own development activities. The experience of the Urban Community Environment Activities and the Urban Community Development Office in Thailand has been that the provision of a community environment fund not exceeding US\$25,000 per city per year has enabled poor communities to work together on a wide range of community development projects. It has proven to be a simple, cheap means to city-wide community development and stronger community networks.

5. Planning for Housing Solutions for all Urban Poor Settlements in the City

After the survey, several workshops should be held to share the information and start developing housing solutions that work for all urban poor settlements.

One example of this process can be found in the city of Nakhon Sawan in central Thailand. The process started with a community survey conducted by the community network, carried out in all urban poor settlements in the city in the beginning of 1999. They found 47 slum communities, in which about one third of the city's residents live. Shortly after the survey, meetings were held with officials from the municipality and the National Housing Authority, in which all the surveyed settlements were legally recognized and formally linked to the development process. All 47 settlements are now in the process of organizing themselves and setting up savings activities.

Land tenure conditions in all the settlements were then examined and inventoried. It was agreed that all communities that can stay in the same place should be improved—in terms of their occupation status and security of tenure, and in terms of their physical environment—and that community

residents should work together to plan these improvements. The settlements that for various reasons were less secure in their current locations would be moved to a large piece of unused government land in the city to build a new resettlement community, with new social and environment conditions planned by the residents. Careful coordination with the Provincial Governor and the Provincial Unit of the national Treasury Department throughout the land negotiation process made for this positive result.

Another detailed family survey in those communities intending to shift to this new land was followed by a series of workshops to plan out all aspects of the new community—layout, infrastructure, construction management, etc. After the relocation plan is approved, the National Housing Authority will include the project in their development plan to be implemented accordingly.

As shown in the example of Nakhon Sawan, the process of housing planning should be highly participatory. If the urban poor can first work together to understand the status and conditions of their current land and housing, they will be in a much better position to propose improvements to their communities or relocate to more secure settlements elsewhere. Each community would have its own plan, and when all these community plans are put together, we could have a rough city-wide housing plan for all urban poor groups. This city-wide plan could be developed by the urban poor themselves, with some support from the development agencies, municipality, and government.

6. *Learning about Diverse Housing Development Options*

There are several technical alternatives for housing development. For many cities, "housing

development" only means relocation and building high-rise apartments. In fact, there are many other options that have been tried and proven in Asian cities. Some of these follow.

In communities under immediate threat of eviction one of the first options to consider is land-sharing.

- *On-site community improvement.* This is by far the best, cheapest, and easiest way to preserve community systems and maintain development from the past that can be linked with the future. Many urban communities look dilapidated and unhealthy mainly because there is no security of land tenure. With proper assistance, simple, culturally-appropriate, creatively-built, diverse forms of housing will automatically appear, forming the community's own physical identity in the city.
- *Land-sharing.* In communities under immediate threat of eviction or to make way for necessary city development projects, one of the first options to consider is land-sharing. Land-sharing offers a way between a former slum community and a particular landlord or city development to "share" land by means of compromising.
- *Reconstruction and redevelopment.* Another option is to redevelop the former slum or urban poor area and to provide housing options for residents within the new development area. However, since private developers usually control most development of this type, community people tend to be made "recipients" of the project, and are often unable to stay on. Only when there is careful discussion and thorough participation of the communities in the planning process can such redevelopment options work for the needs of the poor.
- *Land exchange and land readjustment.* Land readjustment, due to new encroaching

- roads or infrastructure, usually requires considerable negotiation to determine the right extent and nature of adjustment or exchange of land, and offers a way for urban poor housing to find its proper place in the process of such exchange and readjustment. Municipalities can coordinate with city planning offices or take the role of arbitrating negotiations with affected landlords so that the latter can benefit from the new development, and be persuaded to agree with the adjustment plans before finalizing the road route or new infrastructure.
- *Removal to nearby public land.* In case there is no other option but to remove a poor community from the land it occupies, a search for nearby public land can be undertaken jointly by the community and the city. This way, the communities can stay in the vicinity, thus maintaining their economic and social relationships as much as possible.
 - *Searching for possible public land to be developed for urban poor housing.* The city should try to find available public land in different locations around the city in order to start building a "stock" of land for urban poor housing. Some cities have such stocks written into their development plans; many do not. In the past, keeping aside adequate urban land for low-income housing development was not included in the priority list of most governments, so the problem is not a lack of land, per se, but a lack of commitment to supplying land for low-income housing. Municipalities tend to take little responsibility for dealing with housing or searching for land for housing, creating a real land vacuum in most Asian cities. In almost all cases, there is plenty of unused

The problem is not a lack of land, per se, but a lack of commitment to supplying land for low-income housing.

land available for this purpose under various ownership.

- *Getting the private sector and real estate sector involved.* In some countries, there is a policy that every housing development project by a private developer must include a certain proportion of units for urban poor families. Although the implementation of this policy may be questionable, it provides another possible option in using the development and financial strength of the private sector to deliver more housing for the urban poor. Most cities in the region tend to give the private sector too much freedom and too many incentives in choices of development for profit alone. We do not organize this sector properly or utilize its capacity and strength as an active partner in delivering urban poor housing that has urban poor participation and consent.
- *City planning.* The city should actively involve more people in its planning to find a balance between housing and other city development activities. Most city planning activities are controlled by central planning organizations or technicians who have nothing to do with the real activities in the city. Furthermore, city planning today always concentrates on generating economic opportunities, planning for profit, and planning for blind economic growth rather than concentrating on the well-being, housing, and environment of the city and its people.

7. *Development of Credit for Housing Development*

In the absence of viable housing and development institutions for the poor, the financial

mechanisms and community processes that are developed through community savings and credit groups have important roles to play. Savings and credit groups and networks provide an alternative system where much-needed financial resources for development can directly flow to the target urban poor groups in the form of credit, and in ways that can be managed by the people themselves. The important considerations should be the forms and conditions of the credit in order to relate to the affordability level, the way of life of the poor, the particular development subjects such as income generation, and the powerful external market.

The important considerations should be the forms and conditions of the credit.

Housing development funds or flexible types of housing credit allow flexible community housing development activities to take place in projects of various size, location, housing type, affordability, and situation suitable to the particular poor community.

The major role of credit for habitat is to support the people's own housing process, and further strengthen the existing potential in an organized way. The city can develop this fund with support from central government agencies that allow the process to work more at the city level. The city can also establish links with banks or other financial development agencies. However, it is best if the city and urban partners can establish their own urban poor development fund as a focal resource for facilitating city urban poor housing and other related development activities.