



Charoen Chai Nimitmai

CASE STUDIES OF COLLECTIVE HOUSING IN ASIAN CITIES SERIES • MARCH 2021

CharoENCHAI Nimitmai was one of the historic ten pilot housing projects to be built in the first year of the Baan Mankong Program. Those ten pilot projects became a kind of university for other poor communities to visit and learn from, at a time when community-led, collective housing was still new in Thailand. For half a century, the people had been living in run-down houses on swampy land they rented individually. With support from the new housing program, they formed a cooperative, negotiated to buy the land at a very cheap price and then reblocked their community, with full infrastructure and new houses.

- Project CharoENCHAI Nimitmai Housing Cooperative
- Location Chatuchak District, Bangkok, Thailand
- Size 89 households
- Finished 2005
- Type On-site reblocking on land the cooperative purchased collectively from a private landowner

CONTEXT, PROCESS AND PARTNERS

Baan Mankong Housing Program

In January 2003, the Thai government announced an important policy to address the housing problems of the country's urban poor citizens, with the aim of providing secure housing to one million poor households within five years. That ambitious target was to be met through two distinct programs. In the first, the *Baan Ua Arthorn Program* ("We care" in Thai), the National Housing Authority designs, constructs and sells ready-to-occupy flats and houses, at subsidized rates, to lower-income applicants who can afford the monthly "rent-to-own" payments of 1,000 - 1,500 baht (US\$ 25 - 37).

The other program - the *Baan Mankong Program* - channels government funds, in the form of infrastructure and housing subsidies and soft housing loans, directly to the housing cooperatives poor communities set up, which then plan and carry out improvements to their housing, environment and basic services and manage the budget themselves. Instead of delivering housing units to individual poor families, the Baan Mankong Program ("*Secure housing*" in Thai) put Thailand's existing slum communities - and their networks - at the center of a process of developing long-term, comprehensive solutions to problems of land and housing in cities across Thailand. As part of this unconventional program, which continues to be implemented by the Community Organizations Development Institute (CODI), poor communities work in close collaboration with their local governments, community networks, 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 eventually.

By January 2021, the Baan Mankong Program had supported the development of 1,087 collective housing projects, in 243 Thai cities, which provide secure, permanent, decent housing to 105,364 low-income families. But when the program was launched in 2003, the country was still in great need of examples of what kinds of community-driven, collective housing are possible. So in the program's first year, a set of ten poor communities were invited to develop ten pilot housing projects - six of them in Bangkok and four in other cities. Those ten projects were like a laboratory, or a university, and they offered an abundance of learning for the whole country.

One of the important ideas of the pilots was to show that collective community housing doesn't mean any one particular thing, and can take many different forms - some of which haven't even been invented yet! Compare that approach with most professional housing strategies, where professionals have the power and look at all the options and propose this or that, deciding how people should do things. In this case, CODI reversed the formula, so the professionals had less power and the communities could take off. There were lots of mistakes in these ten projects, and lots of breakthroughs. The housing project at Charoenchai Nimitmai was one of those historic ten Baan Mankong pilot projects.

The community:

The Charoenchai Nimitmai community occupies 4.9 hectares of land in Chatuchak District, in the heart of Bangkok, bound on one side by the railway tracks, on another by a roaring expressway and on the third by a drainage canal. The community's original 41 families included railway employees, daily wage laborers and food vendors. They had been renting their land from a private land owner for over 50 years, at 10 baht (US 30 cents) per family per month. In those days, the land-rent system was common in Bangkok, and many poorer households lived in houses they had patched together themselves on land they rented inexpensively.

By 1998, though, the city was developing fast, land values in that area were skyrocketing and the threat of eviction loomed when news that the son of their old landlord wanted to develop the land. So the community people sent a delegation to meet their landlord (who was a kindly and deeply religious man, unlike the younger and greedier generation), and negotiated to buy the land they had been living on for half a century. As a form of Buddhist merit-making, the old man agreed to a selling price of just 7,500 baht (US\$ 250) per square meter, which was a fraction of the market value of 30,000 baht (US\$ 1,000) per square meter, at that time. After registering as a housing cooperative, they took a loan from CODI and bought the land.

The housing project

After becoming owners of their land, the people decided to improve their housing and environmental conditions using reblocking techniques. Reblocking is a more systematic way of improving the infrastructure and physical conditions in existing communities by making adjustments to the layout to install sewers, drains, walkways and roads, but doing so in ways which ensure the continuity of the community. Communities can then develop their housing gradually, at their own pace. When communities like Charoenchai Nimitmai opt for reblocking, some houses may have to be moved and partially or entirely reconstructed to improve access, or some lanes may 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 obtain 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.

In the process of designing the new layout, the community went through 18 different plan layouts, with help from a young community architect from CODI named Nantapong Yindeekhun ("Tuh"). Finally, everyone agreed on a plan with a straightforward grid of cross streets, with plots of varying in size, according to people's budget. To bring down the per-family land costs further, they made room in their reblocking plan for an additional 48 vulnerable families who had been squatting on land nearby. The plan which everyone finally agreed on has four-meter wide internal lanes, a community center, and 89 plots of slightly different sizes (according to people's affordability), with half-meter planting strips along the edges of the lanes. Those narrow strips soon filled with all sorts of trees and flowers and herbal plants. As one community member put it, *"In Thailand, we can eat a piece of fruit and throw away the seed, and just a few years later, we can eat the fruit from the tree that grows there!"* The leftover triangular bits of land at the ends of the lanes were used for a community center and green areas - and also to screen noise and dust from the nearby railway tracks and expressway.

After reblocking, all but 15 of the houses had to be moved to new locations, to make way for the new roads and plot layout. Some families built entirely new houses on their new plots, but many rebuilt their old houses, using recycled materials, and have upgraded them gradually.

As part of the upgrading process, the community coordinated with all the different municipal departments to get individual electric and water meters installed, and to deal with building permits - which wasn't easy! One new guy in the office of the District Authority (which issues building permits) didn't understand the community process and demanded proper architectural plans for building approval. He even asked for a 30,000 baht (US\$ 1,000) bribe from each family for building permits. They didn't pay the bribes, but they did get one of the Thai-language newspapers to write a story about corruption. And they went ahead and built their houses without any permits. Then the District Authority guy showed up and threatened, *"If you don't pay, I'll stop your construction."* So the people stopped for two days. But when nothing happened, they continued with their building. The people have been living in their upgraded community for 17 years now, and the whole project still has no official approval, but there's been no problem. Community leaders often know better than anyone how to sneak around the rules and negotiate with these corrupt petty officials. As one leader put it, *"When the local officials are too strong, we know how to soften them up, and when they are already soft, we do whatever we like, thank you very much!"*

The community people mostly built or upgraded their houses individually, but all the work on roads and common facilities was done collectively. They decided to hire a local contractor only for the infrastructure work that involved heavy machinery, like land-filling. They handled the rest of the infrastructure work themselves, purchasing all the materials in bulk, and using using paid community labor for things like pouring concrete, for which they paid 150 - 200 baht (US\$ 5 - 7) per person per day. Using community labor shaved 30% off the cost of development.

During a visit to Charoenchai Nimitmai in 2014 when the housing construction was still underway, a community member who sells fruits from a cart in the market beside the community had this to say about her new community: "The new houses and physical improvements we've built here are just the beginning. We have big plans that go well beyond the day we complete our housing and community redevelopment project."

What did this community get out of the upgrading process, besides better and more secure living conditions? The reblocking and housing development process built in the community the knowledge and capacity to take on and manage all sorts of other self-development activities. The housing process also kicked off a parallel social development process within the community, which included the establishment of a community-managed welfare system for elderly, sick and needy families in the community. The people also began organizing regular canal-cleaning campaigns, to pull the garbage out of the canal that runs beside the community, and to negotiate with industrial polluters upstream.

Support groups and partners in the project:

- **CODI (Community Organizations Development Institute)** is an independent public organization under the Thai Government's Ministry of Social Development and Human Security. CODI's mission is to support the strengthening of communities and their organizations - in both urban and rural areas - as key agents of change and as central actors in development which affects their lives and communities.

Besides budget from the government which supports many of its ongoing programs, CODI's chief financial tool is the CODI revolving fund, which provides soft loans to community cooperatives and community networks to undertake a variety of development initiatives they plan and implement themselves.

- **Baan Mankong Program** is one of CODI's main development programs, and was launched in 2003 to address the housing problems of the country's poorest citizens. The program channels government funds, in the form of infrastructure subsidies and soft housing loans, directly to poor communities, which plan and carry out improvements to their housing, environment, basic services and tenure security and manage the budget themselves. Instead of delivering housing units to individual poor families, the Baan Mankong Program (which means "*Secure housing*" in Thai) puts Thailand's informal communities (and their networks) at the center of a people-driven and citywide process of developing long-term, comprehensive solutions to problems of land and housing in Thai cities. By November 2019, the Baan Mankong program had spread to 405 cities, in 76 out of the country's 77 provinces, where community housing cooperatives had designed and built 1,035 housing projects which provide decent, secure, permanent housing to 105,739 urban poor families.

PROJECT FINANCING

Project costs and who paid for what?

Land costs: The community people bought the 4.9 hectares of land they had been renting for 18 million baht (US\$ 600,000), which works out to a rate of 7,500 baht (US\$ 250) per square meter (which was a fraction of the market value). The land was financed partly by people's pooled savings and partly by a 15.26 million baht (US\$ 508,670) loan from CODI, made to the Charoenchai Nimitmai Cooperative, at 4% interest, on a 15-year repayment term. The land repayments worked out to 1,000 - 2,000 baht (US\$ 35 - 70) per month per family, according to the size of the plot. The land loan was fully repaid by 2015.

Housing costs: The houses are all different, and the construction or upgrading costs ranged from as little as 40,000 baht (US\$ 1,350) up to 500,000 baht (US\$ 16,700). The houses were financed partly by people's own savings and partly by a collective loan of 4.01 million baht (US\$), which worked out to an average loan size of 50,000 baht (US\$ 1,670) per unit. The loan was given to the cooperative at 4% annual interest rate (repayable in 15 years), which on-lent to the members at 6%, with the margin being used by the cooperative to cover late payments and finance cooperative activities. By 2015, the cooperative had repaid the full loan. Another condition of the CODI loan was that each cooperative member had to save 10% of the housing loan amount, as collateral.

Infrastructure costs: The cost of filling the land to above-flood levels, laying paved roads and storm drains and installing full infrastructure in the new community came to 1.78 million Baht (US\$ 59,350). This was financed almost entirely by the infrastructure subsidy from CODI's Baan Mankong program, which is given to cooperatives in a lump sum, but was calculated (in 2013) at the rate of 20,000 Baht (US\$ 667) per household x 89 households = total 1.78 million baht (US\$ 59,350).

FOR MORE INFORMATION ABOUT THE PROJECT

This case study was written by Thomas Kerr at ACHR, in March 2021, drawing on materials from historic CODI and Baan Mankong reports.

For more about housing projects supported by CODI's Baan Mankong Program, visit the CODI website:
<https://en.codi.or.th/baan-mankong-housing/baan-mankong-rural/>

For more information about the Charoenchai Nimitmai project, please contact:

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PHOTOS



This is what conditions in Charoenchai Nimitmai looked like before the project, in this 50-year old low-income land-rent community. In earlier years, before Bangkok's development really took off and land prices skyrocketed, the land rent system was a common form of tenure for poor working families.



Because the land was low-lying and the community was built right next to a drainage canal, flooding and water-logging was a constant problem.



There was a wide range of income levels in the community and the poorer families lived in patched-together houses like this one.



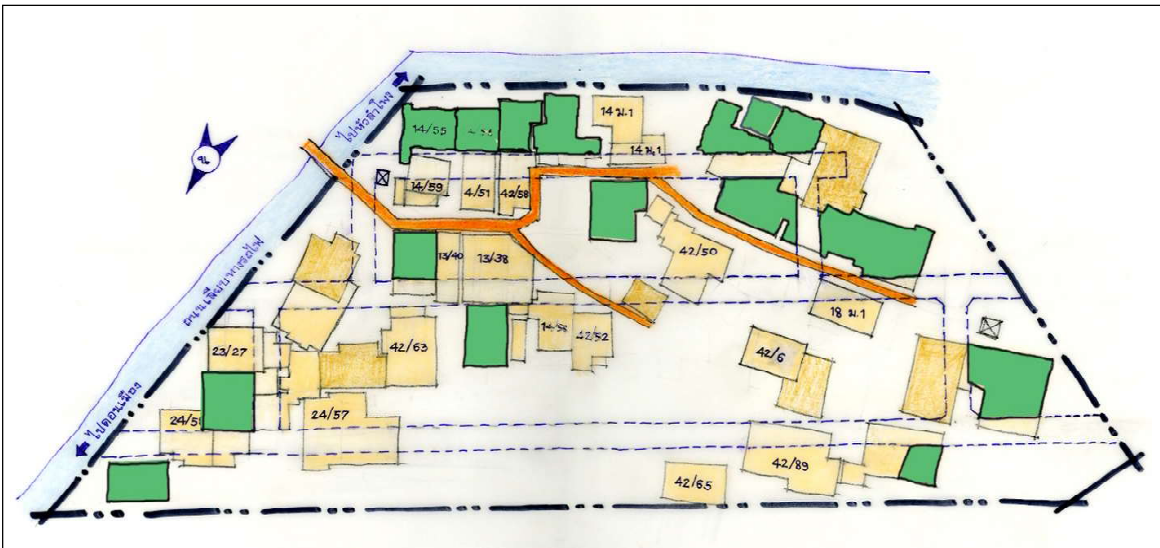
There were drawbacks to living in a crowded slum sandwiched between roaring elevated expressways and railway tracks. But an impromptu market on the unused railway land adjacent to the community brought life, earning opportunities and great Thai food to the community.



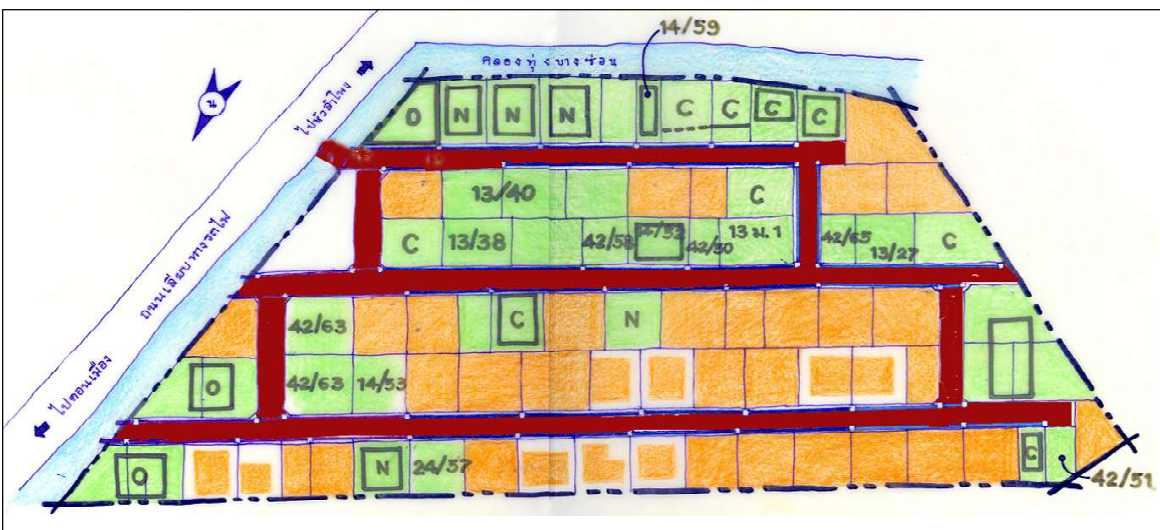


▲ All the members of the community took part in the savings group, which was their training for managing finances together, as a group.

▲ There were lots of meeting in the community to decide how they were going to upgrade their housing and living conditions, once they were chosen to be one of the Baan Mankong pilots.



▲ That is a sketch plan of the Charoenchai Nimitmai community before the project. The 15 houses marked in green are the ones that stayed in more-less the same position after the reblocking and reconstruction process. The others all moved to other parts of the site.



▲ This is the plan of the community after reblocking, with the new roads and an additional 48 house plots. Making room for those extra families was a way to include other poor and vulnerable families in the project and also to bring down the per-family land costs.



During the planning and construction work, there were many visitors to the project, which became one of ten “learning centers” in the first year of the Baan Mankong Program. Here some community leaders from other Baan Mankong pilot projects in Bangkok come to compare notes and offer their support.



Once the reblocking layout had been finalized and the work began, the community put up this board at the community entrance, to advertise their historic upgrading project. The architects helped make models of the “Before” and “After” plans, to explain to visitors.



Here work begins on the new roads and infrastructure. The reblocking process was complicated by a decision the community made that nobody would leave the site during the construction. So the demolition and moving of houses to new positions had to be coordinated with the construction of the new infrastructure.



▲ This family decided to renovate their old wooden house and lift it up on tall concrete stilts, so a new ground floor could be built underneath.



▲ A strict "Ping-pong Allowed" policy was enforced throughout the construction process.



▲ To save money, many families carefully dismantled their old wooden houses and used doors, windows and timber in their new ones.



▲ By doing almost all of the work developing the new roads and storm drains themselves, the people were able to shave about 30% off the cost of their new infrastructure. The community workers were all paid \$5 to \$7 a day for their work, from the infrastructure budget.



Once the new concrete roads and drains were finished, the people got their first glimpse of what the new community was going to look like.



Another photo showing how the construction of the new houses went on while the roads and infrastructure were still underway.

This photo taken during the construction serves as a reminder that this snug little community is right in the middle of a great big roaring city.



The half-meter planting strips left along the sides of the roads quickly filled up with shrubs, flowers, trees and vegetables.



A cheering smile coming down from another old wooden house that was renovated and lifted up on new stilts, to save money and add space.



▲ *This is what the internal lanes in Charoenchai Nimitmai looked like six years after the project had been finished - and improvements continue today.*



▲ *A friend from Indonesia once said that a sure sign of a successful community housing project is clean laundry hanging out in the sun to dry.*



▲ *This mother in Charoenchai Nimitmai runs a little cafe and takeaway food business from her house, which she is gradually upgrading, as she earns.*



▲ *More photos from a visit to the Charoenchai Nimitmai community in January 2009, about six years after the project had been completed.*

