



# Land Sharing at Rama IV

The land sharing project in the Thap Prathan community, on Rama IV Road, was one of the early land sharing projects in Bangkok. The project was finally finished in 2000, but that milestone came after more than three decades of struggle, negotiation and compromise. This historic report describes one of the early land sharing proposals the community developed and lobbied for - but was not agreed to. The Thap Prathan community leaders told the story of their long struggle and presented their housing redevelopment plans in a workshop on "Improving low-income residential areas in southeast Asian cities", which took place in Bandung, Indonesia, in November 1980.

By Somporn Surarith and members of the  
Rama 4 Community Committee

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RAMA-4

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Land Sharing

SEMINAR

ON

IMPROVING LOW INCOME RESIDENTIAL AREAS

IN SOUTH EAST ASIAN CITIES

BANDUNG, INDONESIA 17-29 NOVEMBER 1980

"RIGHT TO STAY AND DEVELOP"

A CASE STUDY OF A LOCAL COMMUNITY IN BANGKOK,

THAILAND

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## "Right to stay and develop"

When looking at slum problem, many people may think of it causes in terms of rural poverty, large number of drought which drives people from the agricultural sector to migrate to the cities to sell their labour and thus causing slums.

But Rama IV slum is another case. This slum was intentional created by a multinational company, in allies with some government officials. They use various tactic to turn a good and self-contained community to be slum, and then propose to carry out a redevelopment project, expecting great profit and commission.

The community has existed 80 years. At that time the area was a low land, always flooded and deserted. But some people decided to settle down there. They tried to improve the area and filled up the land. The people had to make leasing contracts, and paid rents to the Royal Crown Property Bureau since then.

Before Jan. 21, 1966 the community looked very much different, much better than today. It was a well developed, self contained community. Before 1966 the community had over 1,000 house-holds, covering the area of 84,560 square-meters. There was a market, 3 schools, cinema hall, a temple, a clinic, a gas station, light industrial factory such as textile and various handicraft, and 4 banks. There were concrete pavement, electricity and pipe water. There is not a single sign to show that the area was a slum.

### The Rama IV Slum Crisis

The Rama IV Slum is located between Rama Fourth Street and Klong-Toey Tobacco plant. There are more than 778 families, with a total of approximately 4,000 people, living in this 84,560 square meter area. At present the slum residents are facing big problem as they were going to be evicted from their home and land on which they have lived for 20-30 years, by a private construction company named Saha Krungthep Pattana Company Limited.

In order to understand the situation we need to know what happened earlier.

Historical Aspects: The original Rama IV community took 80 years to develop itself to be a self-contained community. Originally, most of this area was full of small orchard-canals, and residents were mostly vegetable growers, orchard owners, or fishermen. They rented the land from the Royal Crown Property Bureau.\*

Later the Tobacco plant was built, followed by the access from Rama Fourth Street which cuts this area and join with the factory. Many kinds of development have accompanied the people who migrated into this area. They filled up the small orchard-canals in order to build a village. Eventually, the village expanded into a complex community. People changed

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their careers from agriculture into industry and commerce. Along the Rama Fourth Street commercial-buildings were established. Behind these commercial buildings are wooden houses, markets, cinemas, 3 schools and some light industrial plants. There were sidewalks and drainage canals, with pipe water and electricity in nearly every home in every lane. The side-walks were much cleaner and there weren't any garbage mountains as now: People were living peacefully.

Arson Turns Community to Slum: In 1965-1966 6 fires occurred in the community. They were suspected of being arson. Later on January 21, 1966 3 big fires took place at the same time right in the middle of the community. After the fires the Royal Crown Property Bureau still collected the rent from those whose houses weren't burnt and those houses which were only partly burnt down. Those whose houses were burnt down made a request to build new houses, but their requests were turned down by the Royal Crown Bureau. This included those who had signed a contract before the fire or had paid some deposits to build a new home. Their requests were turned down with the explanation that The Royal Crown Property Bureau wanted the Bangkok Metropolitan Authority, to make a land renewal in this community.

The way the private company took the lease to the land from the people: On January 3, 1967, the Royal Crown Property Bureau signed a contract to allow the Bangkok Municipal Authority (BMA.) to rent this property in order to develop the land. On that same day January 3, 1967, the BMA. immediately subleased the property without any bids to the Saha-Krungthep Pattana Co., Ltd. (SKP. Co.) or Bangkok Union Development Co., Ltd. even though the company had just been legally established only four months earlier (on August 29, 1966) and the former leases were still valid to the people living in the community.

This incidence showed the dishonest tendency of someones in BMA. and some of Crown Property Bureau officers as well as the private company. The two contracts on the same day means that there had been some kind of set-up. Besides, most of the community dwellers had a contract drawn for another 11 years to come.

In May 1968 the Crown Property Bureau did not accept any rent from the people, giving the reason that the Bangkok Municipality will develop this area. 66 families were called in and asked to leave, with an offer of some financial compensation, but only a few have moved out. However, there were still many other families which had never heard that the SKP.Co. had subleased the contract from the Crown Bureau at all. In 1969 some families received eviction orders from the BMA, claimed that their houses were falling apart and gave an unpleasant look to the environment. These people appealed to the BMA saying that they would certainly have renovated the condition of their houses if the Crown Bureau had allowed them to do so. But there was no word from the BMA.

Step by Step of tactics to change the illegal contract to be legalized: On September 1969, the Crown Bureau had extended the land renewal period, indicated in the contract, from 4 years to 8 years. On that same day the BMA had extended 4 more years to the subleasing contract to the SKP. Co. This incident shows the close relationship between some people in the Crown Bureau, the BMA and the SKP. Co. ; they planned together to enjoy the same benefits.

On January 24, 1974, the Crown Property Bureau and the BMA together signed a contract to allow the Saha Krungthep Pattana Co. Ltd. to be the sole agent who receives all the rent from this property and will be solely responsible to implement any plans mentioned in the original contract.

Later on January 29, 1974, the Crown Property Bureau stopped using the BMA and directly cosigned a contract with Saha Krungthep Pattana Co. Ltd. Saha Krungthep Pattana Co. Ltd. now directly rents the property from the Crown Property Bureau in order to renew the land. And on April 22, 1974, the contract had been extended for another 4 years.

What is the meaning of "Development Project" in the sense of BMA

A school teacher, Miss Somsri Suthapakti, was an owner of Axsorn Vidya School which was burnt down. Fearing that more than 1,000 children would be out of school, she sent a letter to the Crown Property Bureau asking for permission to construct a new building. The Crown Property Bureau told her to contact the Bangkok Municipal Authority. The BMA officers delayed responding to Miss Somsri for half a year until a new sublease was created for Saha Krungthep Pattana Co. Ltd. Then they told Miss Somsri that they no longer had authority to grant permission and that she should ask permission from the Saha Company. The Saha Company insisted on Baht 1,600,000 (\$ 80,000). The school had to close permanently since it was not possible to pay that amount. "Redevelopment" for the residents has meant the loss of houses and loss of education for the children.

At the moment, the contract signed between the Saha Company and the Crown Property Bureau has expired on January 2, 1979. But the Crown Property Bureau insisted that the Saha Company still pay the rent and automatically extended the contract.

Is the Crown Property Bureau making more money ?...  
Strangely enough, it will make less money from rent after development than it makes from renting to the slum residents. During the long construction period the Saha Company has been paying only 1.25 US cent per square metre a month, while the slum residents had been paying more than two times this amount. Even after the development is completed, the company will pay only US \$ 1,750 per month rent for at least 300 new commercial units, or less than US \$ 6 per store or business office. The fact that the Saha Company will make profits at the expense not only of the slum residents but also the Crown Property Bureau itself, the fact that the Crown Property Bureau has ignored many violations of the lease made by the Saha Company (such as not meeting deadlines set by the contract and not paying compensation for the removal of houses to the renters who used to pay rent to the Crown Property Bureau) - these facts have led the residents to ask for an investigation of corruption among not only the Bangkok Municipality officers, but also the Crown Property Bureau officers.

## The Struggle of the People

At first, each of the families living in the community had struggled by themselves, without unity or organization as they do in the present time. However, the dedication in their struggle shone brightly, as we can see from the memorandum on the struggle made by the people themselves :

"What have we done to stop the Saha Krungthep Pattana Co. Ltd. from destroying our community ?"

- Of the 66 families offered compensation by BMA during 1968 and 1969 only a few have left our community.
- Of the families having received eviction notices by Saha Krungthep Pattana Company only a few have moved out.
- Of those taken to court and having lost their individual cases only a few have given up and have left us.
- Only in early 1978, we started joining our forces and fighting together for our homes.
- We have sent letters to high officials like the Minister of Interior, the Official Corruption Supervision Committee, to the Prime Minister and many others. On 27 March, 1978 even a large group of people went to the Government House to present a petition personally.
- On 13 December, 1979 we have sent our story to the Prime Minister and to two newspapers.
- On 14 December, 1979, 400 residents of our community went to the Prime Minister's residence.
- Most important we have formed the KlongToey Community Development Credit Union Cooperative Ltd. as a legal body representing our community. The new lease to our land can only be registered in the name of this credit union which then will sublease the land to the individual members. The responsibility for the entire development project of our community will also be with the credit union. So all families who want to stay with our community should become members of the Klong Toey Community Development Credit Union Cooperative Ltd. \*(1)

The setting up of the Credit Union and the Community Committee have added a new page in the history of the Rama IV Community's struggle. Through these organizations, the people have learnt that their problems were not merely individual problems, but the problems of the whole community; and only through unity would there be a chance of winning the struggle.

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\* Klong Toey Community Development Credit Union Co.Ltd., The Struggle for Our Home, Bangkok, March 1980.

(1) In addition to this, the people had made appeals 4 times to the King, through the Royal Secretarial Office, but unfortunately they received no reply. Some high government official said, "Those petitions did not reach the King." So the people try again. The 5th appeal was handed to the HRH Princess. In May, the people made a press conference at the Public Relation Department, and a week later, held a direct action in front of the National Parliament, urging the MPs and senators to give justice to them and investigate corruption in the sublease of the land.

Today, the major problems in the community, as well as the strategies and tactics in their struggle, are brought up and solved among the community committee, or the community assembly, depending on the importance of the issue. Everyone in the community is welcome to join in the community assembly, which takes place about once a month.

"What we want is to get back the lease to our land and have it registered in the name of the Credit Union. Without the right to the land we cannot rebuild our homes and our community will deteriorate endlessly",

"The Credit Union, an indigenous organization of the Community, could develop this land and this community, without having to depend on a private company, whose aim is its own interest, not the people's interest. According to our plan, the community does not have to be torn down, We think that only the poorest part, the part that the old houses were burnt down by the fire, will have to be developed".

"We will also make some development on the areas near the street, to build commercial buildings, car parking place, and a market. Interest and income from this will be for the development and the benefit of the whole community".

"Various organizations and individuals have given and will give full support for our project. An outline of the development plan for our community has been made. The costs have been calculated. The financial plan has been prepared which shows that within 15 years, we will have paid all the loans. Besides, an institution has pledged to seek a low-interest loan for the implementation of the project".

"This is a large project. But if it is successfully carried out, the community will be self-sufficient. And we are sure we can make it, if only we have the rights to the land".

The Company's Stand

Meanwhile, an advocate of the company explained that the company has full rights to use the land following the court's decision. "The company has paid rentals for more than 10 years already," he said. "And we also have a project to build a block of flats for them. But they have turned down our offer. In fact, we have tried all kinds of compromise, but because they did not accept any, we have no choice but to turn to the court of law."

Commenting of the company's flats' construction, (Mrs. Somporn said) the slum people simply could not accept the offer because the company intended to set aside only 3 rai\* (out of the total area of 53 rai land) for this purpose. "This area is not enough in view of the fact that roads, a public park and other public utilities must be provided. Regulations in flat destroy the people's occupations. So they could not pay for rentals.

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\* 1 rai = 0.16 ha.// 0.4 acre

The Saha Krungthep Pattana Company is a huge company. Its shareholders include Mongkol Kanjanapas, Direk Mahadamrongkul and Chuan Ratanarak. These three persons are big shareholders or have important influence in at least 39 other companies and banks in Thailand, which include business on finance and insurance, TV and radio production, agriculture, warehouse, construction, mine, entertainment, etc. In addition, Mongkol owns a watch empire in Hong Kong. He and Direk are also major shareholders of the Four Seas Investment, a firm which owned the controversial International Hotel in San Francisco, which was the scene of bitter struggle between owners and long-time residents who put up a stiff fight for over ten years.

### Dead Line

The fight between 4,000 slum swellers and a huge company has lasted for over 10 years and is reaching its peak. In early July, the court's eviction order was handed to the people. But the people refused to accept it. The officials came again and stuck the orders on the wall or the door of the people's houses. "By this, we are legally obligated to accept the orders. We must leave our homes and land within one month, according to the order. If we don't, they can use force to make us leave. We sense that this will be a very serious order, because though the orders were written and reached us at different dates, the dead line is fixed at the same day - on August 8th",

The community assembly was called twice after the eviction order came (until July 25). In the dim light of the school, which earlier was a warehouse, over 300 people made a firm vow to stay on the land, to resist the crack down, and to continue with their struggle unitedly. (Violence against the people is becoming more likely.)

### What have the official approach done for us?

Many newspapers published the story of this struggle and mentioned about the eviction dead line. So the chief of public service division of the Government House held discussions with slum dwellers and promised that they would not be forced to move out of their houses for the time being. And he added that the problem has received close attention by the Prime Minister and other high ranking officials. The Government is trying to solve the problem to the satisfaction of both sides.

### Our Implementation Process

But during the time of negotiation the company still use the court order to arrest the people once on September 15, 1980, and another time on October 15, 1980 for not moving out of the area. Now the people are still waiting for the decision of the government and the Royal Crown Property Bureau.

By the time being: the credit union which is set up from combined efforts to solve our own problem and our dignity to be self-reliances is progressing in great unity.

It mobilizes the residents to carry out various activities to improve the conditions in the community, such as clearing out a huge garbage pile within the community in few days, clearing the drainage which has solved the flood problem, rebuilding strong foot-paths and bridges instead of the old-broken ones, and building a day-care centre for children from 3-6 and school for children under 11.



## Section II

### People's Proposals Regarding Land and Conditions

As there has been a dispute over the land in the Rama 4 Klongtoey Community for many years between the people who previously lived on the land and the Sahakrungetep Patana Co. Ltd. and which until now no agreement can be reached.

People in the area would like to emphasize their intention once more that the main cause that make them organize to fight from the beginning until now are as follows:

1. for justice on the matter which the people's legal lease to the land has been taken away
2. for Human Rights to continue living in the area
3. for survival of the community (because this is not only the place to live in but also to make their living by trade etc.)

With an intension to stop the dispute as soon as possible, peacefully, and to let the Prime Minister secretarial office or the mediator to handle this matter with ease, we are ready to make the final compromise and we propose the following conditions to negotiation:

1. We need 25 Rai of the land (split for half and half with the company)
2. This land in the east side of the area the point of division will be at the central point on Rama 4 road side to the fence of the Thai Tobacco Monopoly
3. The right to lease the land in the name of Co-operative at a reasonable price for up to at least 20 years
4. Development of this area will be done by us, the National Housing Authorities (NHA) as advisor and co-ordinator, so the pattern of the project will be in accordance with the needs of the majority of the people.

### Summary of the Project

#### Land use proportions

- Residential Area 72%
- Open space (for public uses) 28%
- Building Construction

Row house: reinforced concrete-area used varied on income levels on 60 square meters for each family

| Grouping   | Building size        |
|------------|----------------------|
| A          | 2<br>32 m            |
| B          | 2<br>32 m            |
| C          | 2<br>40 m            |
| D          | 2<br>40 m            |
| E          | 2<br>50 m            |
| F          | 2<br>82 m            |
| Shop house | 2<br>48 m X 4 Floors |

From data above one can process 3 alternatives as follows

### I. First Alternative

Required area 25 Rai (1 Rai = 1,600 Sq Meter)

- 72% for housing approx 18 Rai
- 28% for public use approx 7 Rai

(like ready walk ways, health care centre, community centre)

- Housing unit = 481 units
- Expenditure for this project = Baht 51,250,000

### Government Support

The 297 families which will be left homeless, and will be loaded to the government to find the place to live which require at least  $\text{P} 28,495,000$  of budget

### Problems

There will be not enough rooms for the whole community and need government support.

### II Second Alternative

Required Area 25 Rai

- 72% for housing = 18 Rai
- 28% for public use = 7 Rai

The 297 families will be supplied housing unit on top of the other on the so called "Condominium"

Project expenditure  $\text{P} 80,019,500$  (See cash flow data)

Government Support:- none

### Problems

Most of the low income people need some space on the floor for their

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### III Third Alternative

Required area 39 Rai

- 72% for housing = 29 Rai

- 28% for public use = 10 Rai

Units available for 778 families

Each family will have some space on the floor for their privacy careers

Project Expenditure  $\text{฿ } 80,000,000$

Government Support:-none

Problems:- none

#### Details in Second Alternative

1. Land use:- for the 25 Rai of land will be used in 2 important purposes

For Housing (18 Rai or 72%)

For Public Use(7 Rai or 28% which will be road, parking space, walk way, primary school and health-care centre)

#### 2. Housing

If we set aside 60 sq. meters of land for each family, which is the minimum requirement for building (NHA minimum requirements for one plot of land is 80 sq. meters for a low income family) we will need 29 Rai of land for housing.

According to NHA standards, we will need 16 Rai of land for public utilities and services such as roads, parking areas, walkways, market, school etc. However, if we consider only the most important unilities such as roads and walkways, we will need only 10 Rai of land. Thus, this project needs only 39 Rai of land which was the previous request, but which received no response from the company.

By compromising, and sharing the land half and half, the company and the community will each get 25 Rai of land. This will serve 481 families with each family receiving 60 sq.meters for their house (total 18 Rai). The other 297 families will be provided with a two-storey condominium. This type of plan will not over-load the government budget, and will serve the needs of the residents by allowing them all to stay in the community.

The community residents are classified into 7 income groups:

A. 1,000-2,000 baht

B. 2,001-3,000 baht

- (15)
- D. 4,001-6,000 baht
  - E. 6,001-8,000 baht
  - F. 8,001-10,000 baht
  - G. more than 10,000 baht

### 3. Time Required for Project

It is expected that this project can be completed in 2 years.

### 4. Financial Plan

A feasibility study indicates that this plan <sup>is</sup> possible because all community members are willing to contribute according to their abilities. Thus it is important that the land adjoining Rama 4 Road be a part of the community as the occupants of this land will be able to make more substantial contributions to the project due to their having better business opportunities.

### Details of Housing for Each Group

1. A and B -- Two families will occupy a two-storey house with a total area of 230 sq meters for each family (300 families)
2. C and D-- Same as above (300 families)
3. E-- Single family housing with each family receiving 60 sq meters (90 families)
4. F-- Same as above (60 families)
5. G-- Four-storey shop houses with a total of 60 sq meters of land each (60 families)

By following the above plan, the community would require 18 Rai of land to house all the families. Another 7 Rai will be needed for public utilities such as roads, walkways, etc as well as for school, market and day care center. This is the minimum requirement for the community.

### Public Utilities

1. Roads. The project calls for one main road of concrete 6 meters wide which would run from the Rama 4 into the community.
2. Walkways, The main walkway will be 3 to 4 meters wide.
3. Other Utilities. Drainage, electricity, water, garbage and sewage disposal.

### Community Services

The most important services included in the project are:

1. day care center

- 3. parking area ( one space for each 10 families)
- 4. community center which will be a multi-purpose building used as the cooperative office, community hall, occupational training center and a health-care center

The plan indicates a budget of 83 million baht which seems like an impossible amount for the community to collect. However, the communities cooperative has been operating since 1979 and is now able to borrow money from the Credit Union League of Thailand, as well as from other institutions. Secondly, the project will not require the entire amount right away, but will move step by step. The first step will be to build shop house adjacent to Rama 4 Road. To those who wish to stay in these shop houses will make their first down payment when they reserve their plot of land. The second payment must be made when piles are driven in their first piling for the foundation. After each of the four floors are completed, they will make another payment. Each completed shop house will provide the community with 4 to 5 hundred thousand baht which will be used in the community development plan.

\* See the Cash Flow Chart

Expenses in the project

1. Rent of the land for 20 years (3 baht/4 sq meter/month)
2. Housing construction expenses for 750 units\*
3. Shophouse construction expenses for 31 units\*
4. Cost of land fill and leveling (30 baht/sq meter)\*
5. Infrastructure\*
6. Crown Properties Fees
7. Building permit from BMA

\* Request permission for the project 2,000 baht

- Building permit 20,000 baht/unit

- Inspector fee 2%

Total

|                 |
|-----------------|
| 7,200,000 baht  |
| 53,509,500 "    |
| 12,400,000 "    |
| 1,200,000 "     |
| 4,800,000 "     |
| 870,000 "       |
| <hr/>           |
| 40,000 "        |
| 80,019,500 baht |

\* These figures include 15% for inflation

Average cost per unit 102,500 baht

Cash Flow Chart

| Group | Income Level | Average Income | Monthly Payment | Down Payment | Capital | Cost of House Construction | Land Area (Sq. meters) | House Units | Total Income |
|-------|--------------|----------------|-----------------|--------------|---------|----------------------------|------------------------|-------------|--------------|
| A     | 2,000        | 1,700          | 425             | 3,800        | 37,974  | 55,200                     | 32                     | 150         | 5,696,100    |
| B     | 2,001-3,000  | 2,500          | 625             | 5,600        | 55,845  | 55,200                     | 32                     | 150         | 8,376,750    |
| C     | 3,001-4,000  | 3,500          | 875             | 7,800        | 78,183  | 69,000                     | 40                     | 150         | 11,727,450   |
| D     | 4,001-6,000  | 5,000          | 1,250           | 11,100       | 111,690 | 69,000                     | 40                     | 150         | 16,753,500   |
| E     | 6,001-8,000  | 7,000          | 1,750           | 15,600       | 156,366 | 86,250                     | 50                     | 90          | 14,072,940   |
| F     | 8,001-10,000 | 9,000          | 2,250           | 20,000       | 201,042 | 141,450                    | 82                     | 60          | 12,062,520   |
| Shops |              |                | 120<br>430      |              | 34,579  |                            |                        | 31          | 1,071,950    |
|       |              |                |                 | 430,000      |         | 400,000                    | 48 4                   |             | 13,330,000   |

Total Cash in the Project 781

83,091,210

Payments made over a 20-year period at 14% interest each year.

Construction expenses 1,725 baht per sq. meter.

A monthly payment of 120 baht for a shophouse will be made to the Crown Properties Bureau, 430 baht to the Community project, and the payment in advance of 430,000 baht for the cost of construction and fee.

