



Meet the Philippines Homeless People's Federation

Vincentian Missionaries Social Development Foundation Incorporated (VMSDFI), Manila



SUMMARY: *This photo-essay describes how the Philippines Homeless People's Federation was formed, to bring together low-income community organizations that had developed housing savings groups in many different cities and to encourage and support the formation of other savings groups. The Federation now has over 20,000 member families who are saving and who are either developing their own homes or seeking ways to do so – for instance, negotiating for secure land, forming homeowner associations, identifying sites on which they can build and exploring sources for loans. In common with similar federations in other countries (with whom there is constant contact), there is a strong emphasis on community-managed savings schemes, community-to-community exchanges (so members can learn from each other's experiences and discuss the best solutions for each particular case) and negotiating with governments with clear, carefully costed proposals that show how much the communities can do for themselves.*

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I. INTRODUCTION

THE PHILIPPINES HOMELESS People's Federation brings together low-income community organizations from cities across the Philippines all engaged in finding solutions to problems they face with secure land, housing, income, infrastructure, health, welfare and access to affordable credit. Some groups are new, others are being revived, some are church-related, others are mini-federations in their own right.

Communities in several cities had been running savings programmes for some years with infrequent contact between each other. But leaders were frustrated that change was too slow and too narrowly focused. The idea of joining these scattered initiatives into something larger emerged about four years ago, when visits to poor people's federations in India, South Africa and Thailand showed the enormous potential of large-scale community federations. With support from the Federation's NGO partner, the Vincentian Missionaries Development Foundation, and using the tool of community exchange visits, strong ties have now been forged between groups in ten cities, all with diverse operating structures, working styles and local strategies.

The lack of affordable land and housing options for the poor in most Philippines cities means that between one-third and one-half of the urban population are forced to live in informal settlements, in conditions that are illegal, insecure and environmentally degraded, without access to

toilets, water supply or electricity and in ever-present danger of eviction. Without secure land, housing and serviced neighbourhoods, more and more of the poor's scanty resources go simply on surviving. People are placed in a cycle of squatting and eviction, which further impoverishes the poor and prevents them from developing themselves.

II. SAVINGS: THE BUILDING BLOCK OF A PEOPLE-DRIVEN COMMUNITY DEVELOPMENT MOVEMENT

THE COMMON DENOMINATOR throughout the Philippines Homeless People's Federation is *savings*. The money which people save together creates a revolving community fund from which members can take loans for their small enterprises, for emergencies and day-to-day needs and for improving their houses. Members also save for land and housing in special housing savings accounts and many take part in community-based health care schemes.

► **“The president came here to Payatas** because he wants to know about the savings groups in the Lupang Pangako Savings Association. Without savings maybe the president will not help the urban poor people, not only in Payatas but nationwide. What I am thinking is that this kind of programme helps the urban poor to upgrade their lifestyle. Here in Payatas, the urban poor people have four problems: first is land and housing; second is livelihood; third is medical; and the other one is education. So if you have savings, maybe you don't have any more problems. Since 1995, here in our Barangay Payatas, Quezon City, Manila, we have already saved 15 million pesos for micro-enterprise savings. We are also continuing our savings for land acquisition and have taken out our first Community Mortgage Programme loan for social housing in Golden Shower. So people come to Payatas to know about the savings programme here in our area.” **Ricardo Awid**, President, Payatas Scavengers Federation, speaking after the president of the Philippines visited the Federation's model house exhibition on November 28, 2000.



◀ **“The “glue” that holds communities together:** Saving and lending on a daily basis (*araw-araw* in Tagalog) is a key element in the Federation's organizational strategy. Daily saving has advantages over weekly or monthly saving systems: it matches informal earning patterns, it works for the poorest, it builds scale by including more people, it gives people daily opportunities to meet and understand their own situations and needs and it gives communities a chance to develop the collective management skills they will need to take on larger development projects later on.

► **As senior member of the national federation**, the Lupang Pangako Urban Poor Association (most of whose members are scavengers who earn their living collecting recyclable materials on the garbage dump and who are among Manila's lowest-income residents) has played teacher and host to innumerable visitors from fledgling savings groups in other parts of the Philippines who come to learn the nuts and bolts of managing a community savings and credit system. When visitors come to Payatas to learn, it's poor people teaching other poor people, taking each other through all the rituals of community savings scheme management. Savings in Payatas have passed the 15 million peso mark, more than 10,000 families have taken out loans and a 100 per cent payback rate has allowed their savings capital to roll over several times in five years.



◀ **“One community dollar equals 1,000 development dollars”:** It's been said that a single community dollar is equal to 1,000 development dollars because that community dollar represents the commitment of thousands of poor people to their own development. Without the direct commitment of a savings scheme, people can participate in any kind of free development that comes along. But when development comes from people's own savings, it's theirs, they own it. Without this, development and improvements have no meaning.

Box 1:	Some very busy pesos: 22 million saved, 81 million loaned, 100 per cent loan circulation . . .
<p>Over 22 million pesos have been saved in the federation so far but 81 million pesos have been given in loans. This means that all that money has been loaned out and paid back four times in just a few years, creating assets and increased wealth worth well over 100 million pesos, in 25,000 households. All this in a group of communities with an average household income of just 3,500 pesos a month! The cumulative national savings and loan figures as of September 2000 are as follows (in Philippines pesos):</p> <ul style="list-style-type: none"> • Total number of members: 23,986 families in eight cities • Total savings: 23 million pesos (US\$ 450,000) • Land and housing savings: 8 million pesos (US\$ 155,000) • Total loans disbursed: 81 million pesos (US\$ 1.6 million) • Total loans repaid 58 million pesos (US\$ 1.2 million) 	

▲ **Making the most of a cent:** When money goes into community savings, it circulates many times in the neighbourhood economy – it helps build houses and start small businesses; it helps people in a crisis and helps pay school fees and doctors' bills; it helps generate more assets, more money and more options for people's futures. More than just a convenient source of low-interest credit to the poor, community-managed savings and credit is itself a community builder and a critical ingredient in poor people's struggle towards better lives, better incomes, more secure housing and healthier settlements.



◀ **One movement, many solutions:** Cities in the Philippines are scattered across many islands, all with very different circumstances: different languages, different cultures, different foods, different labour markets, different land situations and densities, different relationships between local development actors. For the Philippines Homeless People's Federation, these differences can be very useful. Although deep problems concerning land, housing and poverty are common to all, groups in each place have developed unique approaches to solving these problems in response to unique local realities.

▶ **Local exchanges:** A big advantage of a national federation is that it links low income community organizations in many different places, so one city's breakthrough belongs to the whole federation and one city's struggle becomes a learning opportunity for groups around the country. The Federation's chief means of linking these far-flung organizations and spreading the lessons learned is community-to-community exchange. Exchanges within the Federation are managed with grace and thrift by the people themselves (and without hotels, caterers or *per diems!*). Visitors from Cebu, Iriga, Davao, General Santos City, Payatas, Manila or Iloilo stay with community families, eat home-cooked meals and move around town by *jeepney* and bus. The ties between cities that are created in this way are strong. So strong that last autumn, the savings groups in Iloilo loaned 150,000 pesos to the scavengers association in Payatas to make a down-payment on their new land at Montalban.



III. MOVING AROUND: LINKING FAR-FLUNG SAVINGS GROUPS INTO A NATIONAL FEDERATION

THE PHILIPPINES HOMELESS People's Federation is creating a communication network through which ideas, expertise, information and even resources created in one community can be shared with other communities around the country. Besides building a movement with the influence of large numbers, a federation creates a large, communal pool of knowledge which is available to everyone.

► **National assemblies:** The Federation's first national assembly was held in September 1998 in the sprawling informal settlements which encircle the mountainous garbage dump of Payatas. It drew together some 1,000 local members and over 200 community leaders from around the country – from Cebu, Mandaue, Calbayog, Samar, Iloilo, Davao, Surigao, General Santos, Bicol and Metro Manila. The assembly was a good example of the lively style of the Federation's process: at least eight languages were spoken and dozens of sharply different local realities were set out. The assembly provided a venue for defining support mechanisms to strengthen these organizations and for discussing issues such as access to government loan programmes, land title and land conversion problems, land acquisition strategies, evictions, negotiating with local governments and landowners and dealing with NGO partners. Since then, there have been several national meetings, house-designing workshops and model house exhibitions.



◀ **International exchanges:** Over the past several years, community leaders from the Federation have traveled to Thailand, Cambodia, Nepal, Sri Lanka, Pakistan, India, South Africa and Zimbabwe where they have looked at community-driven housing and infrastructure projects, have taken part in model house exhibitions and have forged close ties with local poor people's organizations there. In Indonesia, scavengers from Payatas had a chance to share their experiences with savings, livelihood and housing with a community of informal waste pickers who live in similar circumstances around Jakarta's huge garbage dump.

Box 2: Regions and cities

The Federation is divided into three regions: Metro Manila, the Visayas and Mindanao. A core group of community leaders from each region meets once every couple of months to share ideas and be brought up to date with what's happening in their various cities. In the Federation's early years, the spotlight often fell naturally on the very active Payatas, with its very strong and large-scale community process. But as savings and land acquisition initiatives in other regions have matured, the core group has worked hard to bolster activities in Visayas and Mindanao in order to redress the balance. A second Federation office has been set up in Davao and a third will be set up soon in the Visayas.

But it is in the cities that the real action takes place. The government's Housing Land Urban Regulatory Board requires all urban poor groups to register as homeowners' associations before they can do anything legally to access government entitlements as a collective. The experience of going through this tedious but important formality has become one of the Federation's most potent means of linking urban poor groups within the various cities. City-level planning and city-specific strategies for working with their local governments to resolve problems of land, housing and poverty continue to be the main theme of the Federation's work.



◀ **Good ideas and lots of them:** A good way for community organizations to establish their worth as development partners is by showing the government their good ideas for achieving development, backed up with resources (savings) and lots of people (the Federation). This is especially important where low income communities are perceived as having no ideas, no skills, nothing to offer and no bargaining power. Taking a cue from its federation partners in India, South Africa and Thailand, the Philippines Homeless People's Federation has used several years of increasingly intense preparation and mobilization to design solutions to the deep problems of land, housing and livelihood which they face. What are a community federation's bargaining advantages? Large numbers of people, information, resources and many ideas. Besides being involved in saving and exchange visits, they are also keeping busy preparing themselves in many ways for the day when they will get land.

IV. KEEPING BUSY: SOME TRIED AND TESTED TOOLS FOR BUILDING A PEOPLE'S PROCESS

BESIDES SAVINGS, THERE are all kinds of activities which feed into the building of a well-organized, well-prepared federation. Keeping up a constant and many-layered process of preparing, planning, mobilizing, saving, experimenting and negotiating is not only a federation-building principle but also a political strategy in which low-income people discard their status as passive recipients of somebody else's idea of what they need and make themselves central players in their own development.

Model house exhibitions, like the one held at Payatas in November 2000 which drew a crowd of over 15,000 from communities around Manila and the rest of country, are a tool used by the Federation to explore affordable house designs, to share shelter ideas with large numbers of people and to showcase people's ideas to the state. They also provide a venue for looking at new ideas on settlement layouts which include space for markets, health clinics, basketball courts and recycling activities.

▶ **Searching for alternative land:** Special land acquisition teams in each city continue to look for, and make an inventory of, potential sites for housing that meet people's requirements for affordability and proximity to work, schools and vital support systems. After sites are identified, the next step is to research land title (which is never easy in the Philippines) and, once the owner is known, to begin the process of negotiation for possible purchase (in the case of privately owned land) or lease grant (in the case of government land).



Payatas Scavengers Association "Starter House"

Area: 20 square metres ground floor and second floor (40 square metres overall)

Cost: 40,000 pesos (US\$800)

Materials: Home-made cement block ground floor, timber upper story, tin roof

▲ **House design planning:** House design workshops help sharpen the building skills which already exist in Philippines' slums. Besides increasing people's house design options, they provide tools for exploring cost-saving materials and techniques which will lead to sturdier, cheaper and better-fitting houses. The very inexpensive, two-storey starter house shown here was developed by the scavengers association in Payatas and the first ones are now being constructed by families at their relocation site at nearby Montalban.



◀ **Upgrading recycling activities:** As part of a holistic approach to developing their lives, savings groups in Payatas are looking at ways to help scavengers start small enterprises and upgrade their recycling activities so that more profits from the recycling loop can remain with them. The recycling resource centre is a place where many activities take place, including further processing of waste materials so that they fetch a higher price in the market.

**V. "WE CAN BUILD OUR OWN COMMUNITIES.
ALL WE NEED IS LAND."**

OVER 20,000 FAMILIES in the Federation are at some stage in the process of acquiring secure land – saving, forming homeowners' associations, identifying land, negotiating prices, sorting out titles, planning layouts, exploring loan sources. Land acquisition is the major concern in a country with no intermediate forms of secure tenure for the landless poor. Escalating urban land prices have made it practically impossible for the poor to afford a legal home. New solutions need to be identified and, as importantly, a critical mass of support needs to be built in all the institutions that are involved.

Box 3:	What has the federation been doing towards getting land and housing?
<ul style="list-style-type: none"> • Saving for land and houses. • Designing affordable houses and community layouts, using design workshops, model house exhibits and exchanges to sharpen people's building skills and increase design options. • Understanding the legal aspects of land acquisition, existing finance programmes, land title and land conversion issues. • Researching ownership records and negotiating to lease or buy land already occupied by settlements, at affordable rates. • Surveying unused government-owned land as potential housing sites, creating an inventory of potential relocation sites for poor people living in problem areas. • Exploring other land and housing options in collaboration with the government, private landowners, finance institutions, international organizations and NGOs, to develop comprehensive, city-wide land and housing options which work for the poor and for the city. 	



▲ The poor do it cheaper and better: The fact remains that poor people can develop communities and build houses more cheaply and more efficiently than the state or any private developers can. For example, it costs the government about 250,000 pesos to build a 22 square-metre dwelling in a relocation colony whilst the Federation can build a house similar to the model shown here, which is twice as big, for 60,000 pesos. And when it comes to roads, drainage and electricity and water supplies, what the developers do for 550 pesos per square metre can be done by the people themselves for 50-100 pesos.

► **Exploring on-site redevelopment options...** : Besides looking at ways of regularizing settlements on government-owned land (where that land is neither earmarked for other development nor located in "danger zones"), the Federation is involved in several *in situ* community redevelopment schemes. The 300 families in the Golden Shower Homeowners Association in Payatas are in the process of buying the land they've occupied for 20 years. With loans from the Community Mortgage Programme, members will buy their 60 square-metre plots, rebuild their houses and redevelop the whole community's infrastructure.



▲ **... and exploring relocation options:** Communities in Manila, Cebu, Davao and Iloilo are now in the process of buying alternative land and building new settlements from scratch. There are 1,000 families in the Kabalaka Homeowners Association, most of whom are very poor squatters from informal settlements around Iloilo. Since 1997, they have saved 2.5 million pesos towards buying 4.4 hectares of good, inexpensive land in several parcels, close to their settlements. The communities went through the process of finding out who owned the land and researched the zoning and rights of way. In November 1998, they struck a deal to buy the land. Meanwhile, Kabalaka members negotiated with the National Housing Authority for help under the authority's Land Tenurial Assistance Programme. When the purchase is finalized, the authority will develop the land according to the people's layout ideas and people will build their own houses.

Not waiting around for the government to get its act together...

Because the Federation is not demanding that the state play the key role, the people can say to the government: "We'll play that role – you just do what we can't do." This is very different from saying: "You do this thing and that thing for us!" These are practices which engage the state and communities in relationships which foster good governance.



◀ **Partnerships with the national government:** When the secretary of the Housing and Urban Development Coordinating Council (HUDCC) was invited to the Federation's model house exhibition in Payatas last August, she was afraid she'd face angry crowds and strident demands. Instead, she was welcomed with presentations of detailed land acquisition and house-building strategies which poor communities had worked out themselves. She was impressed that communities were prepared to work with the state and had clear ideas of what they wanted to do. The dialogue which began in that meeting has yielded several breakthroughs for the Federation. Community leaders are now working with HUDCC to identify government land in several cities to use for low-income housing and to jointly explore strategies for resolving problems and localizing the processing and disbursement of government housing finance programmes.

VI. TEAMWORK: FORGING PARTNERSHIPS WITH GOVERNMENT, NGOS AND INTERNATIONAL ORGANIZATIONS

EVERYBODY WANTS TO find solutions to the big, complicated problems of poverty and housing in the cities in the Philippines but neither the state nor the cities, the NGOs nor poor communities can effect significant change by themselves. Lasting, large-scale change requires partnership. The work of the Philippines Homeless People's Federation is showing that the poor need not be seen as obstacles to change but can take the lead in finding ways of making our cities better for everyone.

► **Lasting solutions to problems of land and housing** for the poor in cities in the Philippines have to work for everyone – for the poor and for their cities as a whole – and these kinds of solutions can only work if all the many actors in the development scene are involved. As part of its exploration of such solutions, the Federation is forging working partnerships with other development actors such as several local municipal administrations, academics, local and regional NGOs, the League of City Mayors, the UNCHS and the World Bank's Water and Sanitation Group.



Box 4: New collaborative loan fund

On August 31, 2000, groups from cities around the Philippines presented their land acquisition and housing ideas to key officials in local and national governments at a national meeting and model house exhibition in Payatas. The dialogue that began that day led to a rapid series of breakthroughs, including a meeting with the president, who showed his support for the Federation's work with 15 million pesos of seed money to help establish the Payatas Urban Poor Development Fund. The money complemented 10 million pesos of people's savings and the fund is to be the first in a series of city based urban poor funds to which the President has pledged an additional 15 million pesos contribution each.

This breakthrough represents years of preparation and people's investment in developing solutions and in building partnerships. Community members will continue to place part of their house savings with the fund, which will be managed as a revolving loan fund by a mixed board including community leaders, NGO and government officials, and which can be used to buy land, build houses, lay basic infrastructure or provide bridging finance for slow-moving government housing finance schemes.

**◀ Partnerships with Shack/Slum Dwellers International:**

The Philippines Homeless People's Federation has been involved in the process of Asian and African community exchanges since 1996. As members of the Shack/Slum Dwellers International (SDI) network, and with support from the Asian Coalition for Housing Rights (ACHR), community leaders from cities throughout the Federation have visited community-driven initiatives in India, Thailand, Sri Lanka, Pakistan, Cambodia, Nepal, Indonesia, Egypt, South Africa and Zimbabwe. These exchanges have sparked a lively cross-pollination of ideas between low-income communities in different parts of the world, have created a powerful international solidarity and have helped urban poor groups in the Philippines to develop many more tools for managing their own development processes.

▶ Partnerships with NGOs: The Federation's close working relationship with its NGO partner, the Vincentian Missionaries Development Foundation, goes back many years. The Federation is also collaborating with a consortium of Philippines NGOs to conduct community surveys and inventories of open land in seven cities in preparation for the national Security of Tenure Campaign in 2001.



The material in this brief report was drawn from "Meet the Philippines Homeless People's Federation", a publication prepared for the launch of the federation's Security of Tenure Campaign last year in Manila by Thomas Kerr and Maurice Leonhardt. The box below contains the full text of the Memorandum of Understanding which was signed on November 26, 2000 by groups involved in the launch, including the Homeless People's Federation, the president of the Philippines, the secretary of the Housing and Urban Development Coordinating Council (HUDCC), the UNCHS, local NGOs and the League of City Mayors. The agreement is not binding and was drafted during a period of considerable political upheaval in the country, but it remains a clear, public declaration of support by the government for the ideas and initiatives of the Philippines Homeless People's Federation and will provide a framework for the Federation's ongoing negotiations with the state for secure land.

Box 5: Memorandum of understanding

The undersigned parties have agreed to implement the following in pursuit of means to provide secure tenure for all the urban poor in the Philippines:

- **Open and available government land shall be released for providing housing to the urban poor.** In cities around the Philippines, a great deal of unutilized government land lies vacant and shall be made available for meeting the housing needs of those poor families living in communities which absolutely cannot be redeveloped on the same site, such as communities falling within "danger zones", etc.
- **Existing settlements on government land which is not required for immediate public use shall be made available to help the urban poor to develop their communities and build houses, with secure tenure guaranteed.** There are many settlements on government land. Without secure tenure, communities have been unable to improve conditions in these settlements or build decent houses and basic infrastructure.
- **All private land occupied by existing settlements will be made available to the occupants** through land-sharing agreements between communities and landowners, supported by government tax exemptions and incentives.
- **The Community Mortgage Programme (CMP) shall be decentralized to city level in order to speed up and open up the delivery of finance to the poor.** The CMP is one of the government's most important mechanisms for enabling the urban poor in the Philippines to develop their land and houses. But the programme's centralized delivery mechanisms and cumbersome application procedures have slowed down delivery considerably and have meant two- and three-year delays in getting loans.
- **Urban poor development funds will be established in five more cities** to extend the jointly managed development fund already initiated in Quezon City (Payatas) which involves a collaboration between the urban poor savings schemes, the government and NGOs. Lack of access to finance for income generation, house-building, house repair and land purchase is an enormous problem for poor communities in the Philippines. These city-based urban poor funds will draw funds from a combination of people's own savings, local government resources, private sector contributions and funds from national and international agencies. These funds will be jointly managed by communities, cities and NGOs. The five cities are Muntinlupa, Iloilo, Mandaue (Metro Cebu), Davao and General Santos City.

Signed on 27 November, 2000