

Change is possible.

Here's proof that poor communities can take the lead in creating answers to the overwhelming problems of poverty and homelessness in the Philippines' cities.

When organizations of the poor are centrally involved in planning which affects their lives, it's good for the poor, good for cities, good for everyone.



meet the Philippines Homeless People's Federation

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Philippines Homeless People's Federation brings together poor community organizations in cities across the Philippines, all engaged with 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. The common thread in all these groups is managing their own savings and credit programs and using savings as the central means of improving their livelihoods, strengthening their communities and securing land and houses.

Communities in several cities had been running savings programs for several years and had made some contacts with each other. But the idea of joining these scattered initiatives into something larger came in the past two years, 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 been forged between groups in 18 cities, all with diverse operating structures, working styles and local ideas.

The federation's first national assembly was held in September 1998, and was hosted by the *Lupang Pangako Urban Poor Association*, in the sprawling slums which encircle the mountainous garbage dump at Payatas. The meeting drew together some 1,000 local members and over 200 community leaders from around the Philippines - Mandaue, Cebu, Calbayog, Samar, Iloilo, Davao, Surigao, General Santos City, Bicol and Metro Manila. The assembly makes a good example of the lively style of the federation's process: at least eight languages were spoken at the assembly, and dozens of sharply different local realities were enumerated. The assembly provided a venue for defining support mechanisms to strengthen these organizations and for discussing issues like access to government loan programs, land title and land conversion problems, land acquisition strategies, evictions, negotiating with local governments and landowners, dealing as equals with NGO partners.

The lack of affordable land and housing options for the poor in most Philippines cities means that between a third and a 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, electricity and in ever-present danger of eviction. Without secure land, houses and communities, more and more of the poor's scanty resources go into just surviving, catching people up in a hopeless cycle of squatting and eviction which only further further impoverishes the poor, and prevents them from developing themselves.

What we do :

- Savings and credit
- Land acquisition
- House construction
- Infrastructure planning
- Income and livelihood
- Horizontal learning
- Community welfare
- Government partnership



Change is possible : The scale of the problem is staggering, and it's hard not to be discouraged. But the work of the federation is showing that *change is possible*, that there are solutions to these problems, and that poor communities can be the city's best partner in developing and testing solutions which work not just for themselves, *but for the whole city*. One of the most powerful aspects of the Homeless People's Federation is that it provides a means to showcase good ideas and spread them around.

“One community dollar equals a thousand development dollars”

It has been said that a single community dollar is equal to a thousand 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 development freebie 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.



Community Savings and Credit :

Daily “Araw-Araw” saving :

For most federation members, saving and lending on a daily basis (“*Aro Aro*” in Tagalog) is a key element in their organizational strategy. Daily saving aims way beyond financial benefits, and has several advantages over weekly or monthly saving systems :

● Pulls communities together :

The constant interaction and constant exercise of communal decision-making that is inherent in a daily saving system “*work like glue*” to knit communities together. Daily transactions provide daily opportunities for people to meet, compare notes, pass on news and identify common needs, and are a powerful community knitter-together. Weekly or monthly saving systems miss out on this dimension.

● Matches informal earning patterns:

For most of the urban poor, whose livelihood comes from the informal sector (laborers, scavengers, vendors, hawkers, etc.) both earning and spending of their money are daily, not weekly or monthly. When a savings system accommodates those earning patterns and makes it easy to deposit those daily earnings when they're still in the pocket - no matter how small - then it makes it possible for everyone to save.

● Brings in the poorest :

Monthly savings systems tend to work best for those better-off community members with more regular jobs, while they often exclude the poorest. For those living day-by-day on the edge of subsistence, putting very small amounts of money into savings each day is much easier than trying to put in a large amount all at once. This makes daily saving a system that works for poorest.

The common denominator throughout the *Philippines Homeless People's Federation* is **savings**. All groups that are part of the federation are actively involved in running community savings and credit programs in their communities. The money which they 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 insurance schemes which groups in several cities have initiated, open to the poorest and most vulnerable in poor communities - scavengers, disabled persons, HIV patients, drug addicts and the elderly.

All of these community savings schemes are made up of many, many small groups of neighbors, who collect daily savings deposits among themselves and issue loans from their collective savings, according to guidelines and systems which they set themselves. In most cities, groups use part of their savings for their own internal lending and turn in the rest once a week to their *Area Resource Centers (ARC)*, through which loans between groups can be taken from the larger city-wide savings pool. Procedures for saving and taking loans are managed simply, flexibly and openly, without any rigid banking-style rules, but with a few clear accounting rituals which ensure that everyone can understand and everyone can take part in the process, so responsibilities and information are shared.

Loans are given without collateral, and require only that borrowers have a solid record of savings. Decisions about loan applications are made collectively, by peers within the same community, who know the situation personally and can evaluate the borrower's need realistically. Yearly interest rates of between 5% and 15% are charged on loans. A small percentage of this interest earned on loans goes into supporting the administrative costs of the local ARCs, and the rest gets plowed back into increasing the capital available in the loan fund. *So while it's helping people, that money keeps growing!*

A senior member of the national federation, the *Lupang Pangako Urban Poor Association (LPUPA)* in Payatas 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, walking each other through all the rituals of community savings scheme management :

- the daily round of “doorstep” collection of savings deposits and loan repayments
- the recording and cross-checking of deposits and loan disbursements in passbooks and registers
- the making of collective decisions about loan applications
- the use of *community techniques* for bringing in non-savers and dealing with loan defaulters.

Over the past five years, members of the *Lupang Pangako Urban Poor Association* (most of whom are scavengers who earn their living collecting recyclable materials on the garbage dump and are among the country's poorest) have transformed a small, church-managed micro-credit program into a thriving community-driven savings federation, with over 7,000 members in 680 savings groups. Members take loans from their own savings for emergencies, for day-to-day needs, for setting up small businesses or expanding their recycling operations. These micro-enterprise activities have bolstered incomes, strengthened the community's financial and organizational capabilities and given the scavengers increasing clout in their negotiations for land and external credit for housing. Savings in Payatas have crossed the 15 million Peso mark, over 10,000 families have taken loans, and a 100% pay-back rate has allowed their savings capital to turn over several times. Savings schemes in other parts of Manila and in other cities around the Philippines are following in these footsteps.

Some busy Pesos : 22 million saved, 81 million loaned, 100% loan circulation . . .

When money is kept in a sugar bowl or in a gold chain, it just hangs around someone's neck, doing nothing. But when money goes into community savings, it gets busy. It helps build houses, helps start small businesses, helps people in a crisis, helps pay school fees and doctor bills, helps build stronger communities, helps generate more assets, more money and more options for people's futures. Over 22 million Pesos have been saved in the federation so far, but 81 million Pesos have been given in loans. That 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 20,000 households. All this in a group of communities with an average household income of just 3,500 Pesos a month! Here are the cumulative national savings and loan figures as of 30 September, 2000 (in Philippines Pesos) :

	Total members	Date established	Total Savings	Land / housing savings	Loans dispersed	Loans repaid
Payatas	7,115	June 1995	14.2 million	2.5 million	61.5 million	45.3 million
Muntinlupa / Sucat	3,770	February 1998	1.7 million	194,000	3.3 million	1.9 million
Iloilo	3,814	August 1997	1.9 million	2.4 million	5.7 million	4.1 million
Cebu / Mandaue	4,511	January 1997	2.7 million	833,000	5.3 million	3.2 million
Davao	1,173	April 1999	303,000	100,000	345,000	194,000
General Santos	1,782	June 1997	850,000	1.3 million	1.4 million	750,000
Pili / Bicol Region	1,397	March 1997	312,000	200,000	1.8 million	1.5 million
Surigao del Norte	424	November 1997	379,000	180,000	1.5 million	1.2 million
Total (in Phil. Pesos) (In US Dollars)	21,730 members		P 22.34 million (\$ 447,000)	P 7.71 million (\$ 154,200)	P 80.85 million (\$ 1.6 million)	P 58 million (\$ 1.2 million)



More than just access to credit . . .

Making savings and credit the building block of a people-driven community development movement in the Philippines :

It's more than just a convenient source of low-interest credit to the poor. Community-managed savings and credit is a key ingredient in poor people's struggle towards better lives, better incomes, more secure housing and more healthy settlements. Community groups without savings can certainly link together and organize to a limited extent, but with savings and credit at the core of the process, communities have *both money and power* - those two most essential ingredients for improving people's lives. Why have federations of poor communities in the Philippines and throughout Asia and Africa embraced the simple rituals of savings and credit as the foundation of their development process?

■ **It helps people understand their own situations and needs :** Instead of waiting for the government to provide development, communities now study their own needs, study what the state policies provide, and formulate solutions that work for everybody. They begin by looking at their own resources, and negotiate outside for only what they don't have themselves. The savings group is a forum to discuss, to analyze problems and to explore solutions to problems which affect them. The stronger their savings groups, the greater their capacity will be to deal with those problems.

■ **It builds large scale :** *When savings schemes collect money, they collect people.* Without big numbers, people can't get this kind of momentum to articulate their needs. When many small savings groups link together into larger organizations, those larger numbers provide access to greater financial resources and enhanced clout when negotiating for basic needs. This process has political implications, since the stronger status of large federations enables the poor to deal with larger, structural issues related to their problems.

■ **It develops community strength.** When communities save their money together and make decisions together about how to use their collective resources, they are developing the confidence, the managerial capacities and the collective skills they need to link with the formal system in negotiating for secure land and access to entitlements and to become central players in the larger urban development equations.

■ **It creates the bargaining chip of collective assets :** Poor people's individual savings are peanuts, but when large numbers of poor people put their savings together, *it's big money.* This enormous, growing collective asset bucks the myth that the poor are helpless and have no resources. When they come into negotiations with resources in their hands, they're not beggars, they come with thousands of people and millions of pesos in savings. That collective asset makes a strong bargaining chip when negotiating with the state, with municipalities and with finance institutions for land, housing and access to external finance.

■ **It makes poor communities potential development partners :** Savings and credit schemes create the self-management systems, collective assets and large-scale involvement in poor communities which show government, landowners and finance institutions that the urban poor need not be seen as obstacles to urban development, but can make viable partners in the struggle to make our cities *better for everyone.*

The money lender trap :

When you look at the alternatives, it's not surprising a friendly community credit system offering small loans at low-interest rates would take off in poor communities around the country. Indebtedness to informal loan sharks is a huge problem in the Philippines. Many of the Philippines poorest, who live on the edge of subsistence without a single peso's margin, have no option but to go to the local money lender for loans to buy stock for their small businesses, or to tide them over when emergencies come up.

These guys charge anywhere from 5 to 20% interest per month (that's 60 - 240% per year!) and can use brutal tactics on anyone who doesn't pay. In the "one-day-loan" system they might charge 100% per day! At these kind of rates, debts quickly skyrocket, and many find themselves in a swift, downward spiral, with more and more of their money going just to pay the interest, losing all hope of getting out of debt. It seems crazy to pay this kind of interest, but to those with no other credit options, the money lender means survival, and so people keep going back. *This is why the poor stay poor.*

“We can build our own communities. All we need is land.”



Model House Exhibitions are a tool the Philippines Homeless People's Federation uses to explore affordable house designs, to share shelter ideas with large numbers of people and to showcase people's ideas to the state.

New Options for Land and Housing :



New tool for poor communities :

Payatas Urban Poor Development Fund is established October 1, 2000 . . .

On August 31, groups from cities around the Philippines presented their land acquisition and housing ideas to the local and national governments in a national meeting and model house exhibition held in Payatas. Besides key local officials and visitors from poor community federations in six other countries, HUDCC Secretary Lennie de Jesus came to meet the people and see what they were doing.

The dialogue that began on 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 seed money, to help establish the *Payatas Urban Poor Development Fund*. That money topped off 10 million Pesos of people's savings and is to be the first in a series of city-based urban poor funds, to which the President pledged additional 15 million contributions in each city.

This breakthrough didn't come out of the blue, but represents years of preparation and people's investment in developing solutions and forging partnerships. Community members will continue saving part of their housing saving with the fund. The fund will be managed as a revolving loan fund by a mixed board including community leaders, NGO and government officials, and can be used to buy land, build houses, provide basic services or provide bridge financing for slow-moving government housing finance schemes.

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 topic *numero uno* in a country with no intermediate forms of secure tenure for the landless poor, where skyrocketing urban land prices have made it practically impossible for the poor to afford a legal home and relegated half of the Philippines urban population to a hopeless and impoverishing cycle of squatting and evictions.

The government has provided housing for some families evicted to clear land for development projects, most in conventional, contractor-built relocation colonies in remote areas. But families forced to occupy these projects find them poorly designed and built, poorly serviced, too expensive, too far from jobs, schools and vital support systems. Many have been driven back into inner-city slums to survive. While such projects may work for some, for the many who cannot afford or survive in them, there is an urgent need for other options. Instead of shouting at the government and waiting for better days, federation members in various cities have taken a pro-active approach to these problems, plunging into their own land acquisition and housing projects and beginning a dialogue with the state to support these efforts. In all this, one message is clear :

Poor people can develop communities and build houses more cheaply and more efficiently than the state or any private developers. All they need is land.

It costs the government, for example, about 250,000 Pesos to build a 22-sq. mt. dwelling in a relocation colony, while the federation can build a house twice as big for 60,000 Pesos. And when it comes to "horizontal development" of roads, drainage, electricity and water supply, what developers do for 550 Pesos per square meter and NHA does for 250 Pesos, people can do themselves for 50 - 150 Pesos. Here's a rundown on what the Homeless People's Federation has been doing towards getting land and housing :

- 1 Saving for land and houses :** All cities in the federation run special housing savings schemes, in which individual families have saved over 7 million Pesos.
- 2 Designing community layouts and more affordable houses :** Using design workshops, model house exhibits and exchanges to sharpen people's building skills and increase people's design options.
- 3 Understanding the legal aspects of land acquisition** through training in the legal aspects of acquiring land, accessing finance programs and dealing with land title and land conversion problems.
- 4 Negotiating with private land owners :** Researching ownership records and negotiating with private land-owners to buy land already occupied by settlements, at affordable rates.
- 5 Surveying unused government-owned land as potential housing sites :** creating an inventory of potential relocation sites in 18 cities which work for poor people living in slums in problem areas.
- 6 Exploring other land and housing options** in collaboration with the national and municipal governments, 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, such as:
 - **Regularizing settlements on government land :** in areas where land is not in danger zones or earmarked for development, through transfer of title, subsidized sale or long-term leasehold.
 - **Regularizing settlements on private land :** through subsidized land purchase, government supported tax breaks to land-owners, negotiated land-sharing agreements or reblocking.
 - **Creation of new "people's towns" on free government land,** for relocation to government sites identified and developed by people, for settling relocatees and newcomers.
 - **Financing relocation and community development through cost sharing with private land-owners** who stand to profit by clearing and developing valuable land occupied by poor settlements.

When poor people do it their way . . .

Four community-driven land and housing initiatives within the federation

1 Payatas : Golden Shower

- **Name :** Golden Shower Homeowners Assoc.
- **Families :** 520
- **Date began :** 1993
- **Land cost :** 1,000 Pesos / s.m.
- **Plot sizes :** average 60 s.m.
- **Financing :** Pesos 60,000 / family through CMP loans
- **Type of project :** Purchase and redevelop 3.2 hectares of already occupied land, install infrastructure, build houses and create community recycling center

20 years ago, 300 families evicted from inner-city slums were resettled in what was then a jungle catchment area for Quezon City's reservoir. Many survived by scavenging at the new Payatas garbage dump nearby. Over time, more families came, children grew up and found work in the fast-urbanizing area. The community's struggle to buy the land they occupy began in 1993, with the formation of the *Golden Shower Homeowner's Association*. While negotiations with the land-owner began, the people started land savings, mapped, enumerated and surveyed their settlement and got all the titles in order. After haggling the price down to 1,000 pesos per sm., they made a down-payment. Tasks now include pushing the slow process of getting CMP loans to pay off the land. From the beginning, all *Golden Shower's* planning has been carefully cropped to remain within a strict budget of 60,000 Pesos per family (the CMP loan ceiling). That will just cover the land cost, leaving little for building new houses, so the people are also exploring cost-saving house construction techniques using recycled materials. Their redevelopment plans include only slight readjustments to the existing tree-filled community, which is degrees cooler and feels like heaven after the smoke and stink of the nearby dump. Roads will be widened, plot sizes equalized and space made for a community recycling center.



2 Iloilo : Kabalaka

- **Name :** Kabalaka Homeowners Association
- **Families :** 400 + 600
- **Date began :** 1998
- **Land cost :** 500 - 700 Pesos / s.m.
- **Plot size :** 50 s.m.
- **Financing :** L-Tap loans : 54,000 Pesos per family
- **Type of project :** Purchase and develop 4.4 hectares of new land. Land cost includes NHA-built infrastructure. People build their own houses.

There are 1,000 families in the *Kabalaka Homeowners Association* (which means "We care" in the Visayan language), most of whom are very poor squatters from informal settlements around Iloilo. Since 1997, they have saved a whopping 2.4 million pesos towards buying 4.4 hectares of good, inexpensive land they found, located towards the edge of the city, in several parcels. The communities went through the steps of finding out who owned the land, researched the zoning and right of way for all the pieces, and in November 1998 struck a deal to buy the land. Meanwhile, Kabalaka members negotiated with the National Housing Authority for help buying the land under NHA's *Land Tenurial Assistance Program*. Since then, the community has worked with NHA to survey and subdivide the land into plots, according to NHA standards and the people's community ideas. When the purchase is final, NHA will develop the land and people will build their own houses. 400 families will move in the first phase, and 600 in the second.



3 Cebu : Visayan Housing

- **Name :** Visayan Housing Action Group
- **Families :** 63
- **Date began :** 1998
- **Land cost :** 500 Pesos / s.m.
- **Plot size :** 50 s.m.
- **Financing :** From housing savings, plus supplementary bridge financing
- **Type of project :** Purchase, subdivide and develop 0.55 hectares of new land, install infrastructure and build new houses.

Mandaue City has plenty of factories but very little affordable housing for the thousands of workers who keep the city's thriving industrial sector alive. As a result, the city has a much higher percentage of squatters than in adjacent Cebu, most of whom are forced to live in extremely crowded settlements without access to basic services. In 1999, federation members in Mandaue's San Roque Parish formed the *Visayan Housing Action Group*, began housing saving and started searching for affordable land. They eventually found a 0.5 hectare parcel of land that was close to jobs, markets and schools, negotiated with the landowner to sell it to them for 500 Pesos / sm. and made a swift down-payment from their savings. The group then found a local engineer to help them draw up a layout plan for their new community which includes a market, basketball court, savings office and guest house. The association is now in the process of looking for urgent bridge financing to pay off the balance.



4 Payatas : Montalban

- **Name :** Payatas Scavengers Homeowners Association
- **Families :** 500
- **Date began :** 1997
- **Land cost :** 150 Pesos / s.m.
- **Plot sizes :** 50 - 70 s.m.
- **Financing :** CMP loans : Pesos 60,000 per family
- **Type of project :** Purchase, subdivide and develop 3 hectares of new land, install infrastructure, build houses and community center.

The *Payatas Scavengers Association* has a special land acquisition team that has been looking for potential building sites in or near the Payatas area. When in 1998 the team found a beautiful 3-hectare hillside site at Montalban, in nearby Barangay San Isidro, they saw a chance to realize their dream of moving out of their squatter settlements and developing their own new community. They managed to bargain the land price down to an unheard-of price of 150 Pesos / sm., and bought the land, using a combination of their own considerable savings, a short-term loan from friends in the *Kabalaka Homeowners Association* in Iloilo, and a five-year housing loan from *Caritas Manila*. Layout and subdivision plans have been designed to follow the natural contours, to reduce costly cutting and filling on the hilly site, and include common deep-wells, a community center, individual soak-pit latrines and cost-saving house construction techniques which incorporate recycled materials from the dump. The Montalban site will be the first of many relocation projects by and for the scavengers.



Learning from each other :

The Philippines Homeless People's Federation creates a communication network through which ideas, information and even resources created in one community can be shared with other communities around the country. It's a communal knowledge pool which is open to everyone.



What's Happening around the Cities :

Cities in the Philippines are scattered across many islands, all having very different circumstances: different languages, different culture, different densities, different labor markets and land situations, different relationships between local development actors. For the *Philippines Homeless People's Federation*, these differences can be very useful. Although deep problems of land and housing and poverty are common to all, groups in each place have developed unique approaches to solving these problems, in response to their local realities. A big advantage of a national federation is that it links poor community organizations in many different places, so one city's breakthrough belongs to the whole federation, and one city's struggle becomes learning opportunity for groups around the country. The federation's chief means of linking these far-flung organizations and spreading around these lessons 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 stay with community families, eat home-cooked meals, and move around town by *jeepney* and bus. Here's a look at what's happening in a few of the cities in the federation :

1 DAVAO

Organizing a city-wide federation with a kick-start from broadcasting

The **Hupong-Kabus People's Network** in Davao began savings only a year ago, but is already 110 savings groups strong, with over a thousand members and collective savings of close to 350,000 Pesos. The network's leader Willie Labawan is a radio broadcaster. He learned about the scavengers in Payatas who had organized themselves into savings groups to buy land and build their own houses, and used his daily call-in radio program to pass on these ideas and to open up discussion about problems of poverty and housing in Davao. About 30% of Davao's population lives in insecure and under-serviced slums along the city's road-sides, railway tracks, canals and coastline.

The immediate outpouring of interest Willie encountered led to meetings and to the formation of the network of poor communities. Besides managing daily saving and loan activities (most deposits are collected at night, when *their earnings are still in their pockets!*), the network has begun housing saving and searching for land to buy for making new communities. Three properties have been identified for a first phase housing project, which will provide homes for 130 families, and purchase negotiations are going on.



2 ILOILO

Land acquisition savvy and some very busy bicycles

The **Kabalaka Homeowners Association** in Iloilo was one of the first regional off-shoots of the urban poor savings schemes started in Payatas and is now one of the strongest branches of the national federation. The Kabalaka Homeowners Association brings together people from squatter settlements spread across Barangays Calaparan and St. Nino Norte in the ocean-side city of Iloilo, with a membership close to 4,000 and combined daily and housing savings which have crossed the 4 million Peso mark.

Besides their energetic land acquisition projects, the association in Iloilo has developed a reputation in the federation for its unorthodox means of making daily savings convenient. In some areas, a guy named Haji collects daily savings deposits from very long lines of beach-front squatter settlements on his bicycle, with as many as 3,000 deposits going into his waist-pouch and on to the area resource center! But land acquisition continues to be the main focus in Iloilo, and the association works very closely with the National Housing Authority to identify open land and develop it for housing under the NHA's "L-Tap" (Land Tenurial Assistance Program).



3 MUNTINLUPA

Finding people's solutions to the problem of railway settlements

Over 200,000 families live in long-established settlements along the railway tracks passing through three municipalities in southern Metro Manila. Many work as laborers, vendors or scavengers in the factories and markets in this industrial part of the city. These communities have many problems (like the danger for children living so close to the tracks) but are close to jobs, schools and markets, and people have made big investments in improving the environment. The *Philippines National Railways* has announced plans to expand the tracks, and given eviction notices to all houses within 15 meters on each side of the tracks. For those affected by the project, options are limited: market rates for land nearby start at 4,500 Pesos / sm. and so far no offer of government-assisted relocation.

Savings schemes in railway settlements in Sukat and Muntinlupa began after some community leaders here participated in the federation's first national assembly in 1998, and now have 3,650 savings members in 32 groups, with over 300,000 Pesos saved. Some groups have now begun to save for housing, to search for alternative land and to develop their own community resettlement ideas to present to the state.



4 CEBU / MANDAUE

Community solutions to infrastructure problems in poor settlements

Most of the sprawling and crowded squatter settlements in Mandaue are located on low-lying bits of land, squeezed between subdivisions and factories in the city's highly-polluted industrial area. The thriving federation in Mandaue has six large savings schemes, each with its own area resource center, and has set up the *San Roque Parish Multipurpose Cooperative*, which provides a legal umbrella for a number of community-managed development projects, including land acquisition, income generation projects, savings and credit, setting up community provisions stores and canteens, building common toilets and constructing access roads into some of the settlements.

In most of these settlements, basic services are almost non-existent. Water, especially, is a huge problem. Metro Cebu has plenty of water sources, but distribution is bad, pilferage means low pressure and contaminated water, and artesian wells soon go saline in these low-lying areas close to the sea. In Mandaue's slums, upwards of 500 families share a single water tap and people have to wait up in queues all night for a single bucket of water. One of the San Roque cooperative's most urgent projects has been installing and managing community water taps, using the Metro Cebu Water District's *Community Faucet Program*, which gives poor communities permission to tap into the mains and take free water, as long as they lay the pipes, install the taps and pay for it themselves. Groups borrow money from the savings schemes to buy the pipes and materials, and undertake the delicate task of negotiating with sometimes hostile factory-owners and subdivision developers for permission to cross un-



der private property with the water pipes. Some groups use a *pay-and-use* system for managing the community faucets, in which people pay 1 peso per bucket, and the profits go into a special community fund for income generation activities and welfare.



Moving forward after the garbage dump tragedy . . .

On the morning of July 10, 2000, after a night of heavy rain, part of the garbage dump collapsed, burying hundreds of scavengers who were living and working near the dump. Despite rescue efforts, the death toll eventually climbed to 250. For a short while, the tragedy put Payatas in the center of a storm of sympathy, assistance and media attention. But when the storm withdrew, the community was hit with the news that the dump was to be closed down (and the community's economic lifeblood cut off) and 2,000 families were to be evicted from their homes in the "danger zone" encircling the dump. This intrepid community, however, lost no time in taking steps to help those whose lives had been turned upside-down :

- Set up 12 feeding centers where 3,000 children get free meals each day.
- Worked with survivors of trash-slide victims to get member savings to next of kin.
- Supported the 64 families in evacuation centers with food, cooking fuel and loans.
- Immediately set up savings groups among families evicted from the "danger zone" and relocated to the government's resettlement colony at *Kasiglahan*.
- Opened up a dialogue about long-term solutions to the Payatas tragedy with the local and national government, and presented the federation's ideas in a 9-house model house exhibition in August at Payatas.

5 PAYATAS

Communities of poor scavengers create holistic and comprehensive community development ideas to improve their lives and living environments

Payatas is Manila's largest and most densely-packed squatter settlement, covering some three thousand hectares of land in the northwest part of the city. In the 1970s, Marcos used the area as a relocation site for people evicted from squatter settlements in other parts of the city and when he was deposed in 1986, the settlement swelled with new squatters. The mountainous garbage dump at the center of Payatas is something of a dark angel in the settlement. The disease, pollution and physical danger that the dump brings make Payatas one of the most hazardous places in Manila to live. But for the 30,000 women, men and children who survive by gathering, sorting and selling its recyclable waste, the dump is an economic blessing. In 1993, these families organized themselves into the *Payatas Scavenger's Association*, and with support from the *Vincentian Missionaries Social Development Foundation*, have worked on many fronts to create collective, holistic solutions to problems they face, and to build better lives, jobs and communities that are secure, safe and healthy.

■ **Savings and Credit** : Members of *Lupang Pangako Urban Poor Association* run a thriving daily saving program with over 7,000 members, who have taken and paid back over 62 million Pesos in loans from their own savings for emergencies, daily needs and for income generation.

■ **Land and housing** : Tenure security and decent houses are top items on the scavengers' list of needs and the key to their genuine development. Preparations for meeting this goal include searching for affordable land nearby, designing inexpensive house designs, maintaining special housing savings accounts, and negotiating with government and finance institutions.

■ **Upgrading Recycling activities** : The association explores ways of upgrading and expanding the sorting, processing and recycling activities in order to boost incomes, eliminate middlemen and keep more of the profits for the scavengers, who are vital parts of the city's solid waste management systems.

■ **Helping their own more vulnerable members** : In several off-shoot programs of the Savings Federation and Scavengers Association, community people in Payatas are finding their own ways of looking after the needs of their most vulnerable members - *working kids* :

- **The Scavenger Kids Center**, located beside the dump, is run cooperatively by the mothers, has no fixed agenda, offers working children a place to play, get first-aid, sleep, shower after scavenging on the dump or get something to eat.
- **Special scavenger kid's savings scheme** for this free-wheeling group of children who are on their own, independent of families.
- **Day-care center** which mothers who work on the garbage dump built with their collective savings and run themselves, without subsidy, taking turns teaching classes and feeding the children a simple, nutritious meal, which they cook in the courtyard outside.



Payatas Newsletter : "KATAS" *The federation at Payatas produces its own bilingual newsletter, in collaboration with Father Joel at VMSDFI. For a copy of "KATAS: Kamay at Tinig ng Sambayananang Payatas" [The Hands and Voice of People at Payatas], or any information about Payatas, contact VMSDFI.*

Working together is not a choice, but a necessity :

Everybody wants to find solutions to the big, complicated problems of poverty and housing in our Philippine cities. But neither the state, cities, NGOs nor poor communities can make significant change by themselves. Lasting, large-scale change takes 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 be active partners in making our cities better for everyone.



Partnerships :

Lasting, large-scale solutions to problems of land and housing for the poor in Philippines cities 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 it's exploration of such solutions, the Philippines Homeless People's Federation is forging working partnerships with other development actors :

1 Partnerships with National Government :

When the Secretary of the *Housing and Urban Development Coordinating Council (HUDCC)*, Lennie de Jesus, was invited to the Federation's Model House Exhibition in Payatas in August, she was afraid she'd face angry crowds and strident demands. Instead, she was welcomed with presentations of wide-ranging land acquisition and house-building strategies which poor communities have 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: The President contributed 15 million Pesos to the community-managed *Payatas Urban Development Fund*, and pledged 15 million Pesos in each of seven other cities to establish similar funds; The federation is now coordinating with HUDCC to identify government land in several cities for poor people's housing; HUDCC and the President are working with the federation to support the security of tenure campaign in November.

2 Partnerships with Cities and the League of City Mayors :

The federation's dialogue with the *League of City Mayors* is so far focused on work in Quezon City, Muntinlupa, Iloilo, Mandaue and Davao. The support of Naga City's ex-mayor Jesse Robredo in the Mayor's Forum has helped strengthen dialogue with federation in those cities. Work includes conducting surveys to come up with a common understanding about slums in those cities, and negotiating for new city-based mechanisms for disbursing CMP loans, which cities guarantee and administer locally. These collaborations between local governments and the poor are seeking more comprehensive, city-wide alternatives to the traditional project-by-project approach to housing the poor, which has been scattered and has not solved problems on a large scale.

3 Partnerships with NGOs :

The *Homeless People's 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 18 cities, in preparation for the Security of Tenure Campaign launch in November, 2000.

4 Partnership with Slum Dwellers International :

The *Philippines Homeless People's Federation* has been involved in the Asian and African exchange loop since 1996. As members of the *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 set off a lively cross-pollination of ideas between poor communities in different parts of the world, created a powerful international solidarity, have helped groups in the Philippines develop many more tools for managing their own development processes.

Federation Diary :

1994 : VMSDFI begins to support a community-based savings and credit program in Payatas.

February 1997 : Community people from Payatas visit India, where the National Slum Dwellers Federation (NSDF) and Mahila Milan collectives challenge them to transform their savings and credit program into a community-driven federation.

1997- 98 : Exchanges between cities in Philippines begin in earnest with groups coming to Payatas

September 1998 : First national assembly held in Payatas, with community savings groups from six cities : Metro Manila, Iloilo, Davao, Mandaue, General Santos City, Calbayog. The *Philippines Homeless People's Federation* is officially launched the following month.

September 1999 : National workshop is held in Glan Sarangani to support the establishment of Area Resource Centers around the country.

January 1999 : Total savings in the national federation crosses the 25 million Peso mark.

July 11, 2000 : After a night of heavy rain, an early morning garbage slide in the *Promised Land* area of Payatas kills approximately 250 people living and working near the dump.

August 2000 : Second national assembly held in Payatas, in the aftermath of the tragedy, with an exhibition of nine model houses. Dialogue begins with HUDCC Secretary Lennie de Jesus.

September 1 : *Payatas Urban Poor Development Fund* is established, with 10 million Pesos from the Federation's savings and 15 million Peso contribution from the President of the Philippines.

October 2000 : Extensive poor community surveys and inventories of open government land are carried out by community people in 18 cities around the Philippines, with support from local NGOs.

November 2000 : *Campaign for Security of Tenure in the Philippines* is launched in Payatas, as a co-initiative of the Homeless People's Federation, *Slum Dwellers International*, the Government of Philippines, the United Nations, the *Asian Coalition for Housing Rights* and local NGOs.

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