

平成29年11月14日提出

学 位 論 文
Dissertation

論 文 題 目

Title of dissertation

**Transformation of Low Income Housing and
Communities in Bangkok under the Rapid
Economic Development of Thailand**

申請研究科名

Graduate School of Urban Science

申請者氏名

KITTIMA LEERUTTANAWISUT

(名城大学大学院)

Transformation of Low Income Housing and Communities in Bangkok under the Rapid Economic Development of Thailand

Affiliation: Graduate School of Urban Science

Name: KITTIMA LEERUTTANAWISUT

Abstract of Dissertation

Thailand has been developed from agrarian country to industrial booming then the financial crisis hit and recovered and became the turning point to new industrial economy and enters to aging society. According to the World Bank, Thailand was the fastest-growth economy in the world during 1986-1994 (World Bank cited by Pongpaichit, P. 1996). Because Bangkok is the center of economic activity in Thailand, it has been the destination for rural-urban and urban-urban migration. Many migrants who came to Bangkok were unable to buy or rent formal housing and were forced to live in informal settlements on private or public land where they join the Bangkok-born poor.

Many urban poor communities benefited from the unplanned and inefficient development of the city because it created the land with a small plot, or awkward shape or lack of infrastructure. This left a considerable amount of land without public access; therefore, such land was not (yet) suitable for commercial development and was left for the urban poor to settle. As the economy grew, pressure to open the land had been increasing. Then, the government constructed new roads and bridges, leading to the eviction of many urban poor communities. The data from aerial photos taken in 1974 and 1984 show that there were 159 informal settlements from which approximately 30,750 households had disappeared and land changed to other uses. Furthermore, 107 informal settlements had disappeared, and another 103 slums or 12,806 households were evicted (Khan 1994, p.28-29). In 1998 alone there were 36,739 households were evicted (HSF 1998 in Viratkapan, V and Perera, R 2006, p.160). Moreover, The National Housing Authority of Thailand (NHA) has estimated that from 1978 to 2001 there were 39,819 households were evicted from 82 informal settlements (NHA 2002).

The informal settlement or low income housing problem was identified as the Nation issue in the Third National Economic and Social Development Plan (Chulalongkorn U., 2010). Since then the housing agencies have used many measurements to assist urban from threat of eviction and give the security of tenure to the poor such as relocation, slum upgrading, site & services, land sharing, Baan Eua Athon (BEA) which provided completed housing unit, and Baan Mankhong which used the community saving group and several upgrading program (depends on the condition of the community), etc. but not in measuring the longer-term impact of their intervention. Once the project was completed they moved to another project. Therefore the monitoring or evaluating impact of housing program was very rare (Kittima & Yap, 2015)

Economic development not only gives opportunity to the people to live in the better socio-economic condition but also it makes the poor threaten with force eviction. Moreover, not all the people benefit from the development of economy, there are still many people who were left behind because their situation could not take the benefit, especially, for the urban poor because they might lack of education and skill to work.

This study aims to examine the transformation of the low income housing and communities in Bangkok under the rapid economic development of Thailand through: 1) To evaluate the long term impacts of housing policy, which has been developed by housing agencies from the beneficiary's point of view, 2) To evaluate the housing programs at the turning point between the developing economy and the new industrial economy, 3) To examine how the first generation of urban poor (the one who was born before 1960 and started working in Bangkok Metropolitan Region (BMR) before the economy booming in 1990s, has education with junior high school or

less, used to work as informal sector or engaged in the simple wage worker) and their children (second generation) have consolidated their socio-economic and housing conditions and identify what are the factors that have an influence on the socio-economic and housing conditions of the first generation, and 4) To examine the aging of the first generation and what the possibility is of support from their children. In order to achieve the objectives, the author conducted the sequenced studies that have published in international journals, and books and have presented in international conferences.

The author began with explanation of the background of this study and literature review on the development of socio-economic and low income housing policy in the Thai's context, research interests, objectives and conceptual framework and limitation of this study which presented in the Chapter 1.

In the Chapter 2, the author focused on the characteristics of informal settlements examining the origins, growth and feathers in Bangkok and analysis the response by the government. This chapter concluded that housing for the poor in Bangkok had deepened on customary and semi-commercial supply of land to house themselves for a decade. The propensity of Thai society to avoid conflict and confrontation, accommodate different interests without challenging the status, disregard and not enforce formal plans and regulations created housing opportunities for the poor outside the regulatory framework. Besides offering low-cost housing opportunities, the informality allowed the poor to arrange and adapt their housing to their needs and resources.

In the Chapter 3, the author evaluates long-term impact of two different government housing programs which were implemented in the 1990s by revising their project sites to overview how the communities have been transformed under the rapid economic development process of Bangkok.

1) Revisiting a resettlement project in Bangkok revisited: This study reported on the evaluation of a resettlement of evicted urban poor in Bangkok, by revisiting the resettlement site twenty years later. Under the threat of eviction there were relocated to the urban fringe of Bangkok. The National Housing Authority (NHA) of Thailand developed the site by demarcating plots, constructing infrastructure, providing loans for the land purchase and transferring the remaining households with their possessions and building materials from original site to the new site. The resettled households were left alone to cope with the new situation; the NHA only handled the administration of the loan recovery and the issuing of land titles once the loans had been repaid. The author revisited the site and compared the population and the housing conditions. The study found that original households have continued while other households had been replaced by newcomers who had on average higher incomes than the remaining original households. Housing conditions differed significantly among original households and between original households and newcomers. Through interviews with remaining original households, the authors were able to reconstruct the history of some households which had left the settlement. Some original households had not been able to use their title deed to obtain a loan from a financial institution; others had mortgaged their house for a business loan, but had lost their house when they were unable to pay back the loan. The authors conclude that the resettled households would have benefited from the establishment of a community-based organization and continued support from a public agency or an NGO

2) Revisiting a land sharing project in Bangkok: This study emphasized an evaluation of the success and failure of land sharing scheme, which was highly evaluated as a "win-win" solution. Because the poor can stay in the same location without eviction, have security of tenure and build a better house while the land owner can use part of the land for any propose. The author attempted to investigate what happed to the households after two decades since when the land sharing agreement have been reached. The study found that during the land sharing process many households left because they were worried about the negotiation's outcome and also the burden to pay back the loan to the housing cooperation. While some renters preferred renting

rather owning the land or house. The poorest were the first one who leaves the community, and where they went is unknown. They might have found a better house, or live somewhere else. Once the agreement was reached, some poor households sold their plot and moved out, because they could not afford to live there or found a better place to live. Because of the good houses, the settlement makes a positive impression, but that does not mean that the original urban poor have benefitted. The lessons learnt were applied in Baan Mankhong program (the new housing policy in Thailand). On the one hand, with the community support some households could borrow the money from saving-and- loan group as the reasonable interest rate to repay their loan to the cooperative and maintained their plot. Such community support could also have helped some households they needed money when their business failed. On the other hand, because of the collective land tenure some households might hesitate to invest in the improvement of their house, because it was not fully owned by them, and it could have placed some very poor household in heavy debt and dependence on the community and its leaders.

There are 3 dimensions that the housing policy impacts on: 1) Tenure security dimension: Housing policy gives security of tenure for the urban poor, 2) Community dimension: The poor can organize themselves to empower their community, and 3) Power dimension: Many poor are able to become the actors in their own housing development. In terms of maintaining the original community, the study showed that the original households stay in one site per project (57%) rather than resettle (37%) because they felt familiar with the community and they were still able to keep their networks. Although it is very difficult to protect market evictions it was considered alright if they were able to use their house as an asset that enabled them to start their own business and which enabled the household to become financially stable.

In the Chapter 4, the author examined the low income housing policy in the turning point (Baan Eua Arthon and Baan Mankhong). Baan Eua Arthon (BEA) is a large-scale government housing program under a million house program which implemented by the National Housing Authority (NHA). It responded to a housing backlog for Thailand's low-income population and one of populist policies of Thaksin Shinawatra, the Former Prime Minister of Thailand. The author evaluates the BEA program impact of housing condition on the low-income group in the Bangkok Metropolitan Region (BMR), and examined the risks of a populist housing policy. As the original objective of BEA project was to assist the low income group to have security of tenure by ownership. Due to the weakness of one price and design in the different locations which made the huge loss of the NHA because many units remained unsold. The NHA tried to solve the problems by changing the eligible income standard and price several times to open up an opportunity for higher income to access to BEA housing units. Furthermore, the populist nature of the housing policy, characterized by setting too large a supply target for BEA housing that was beyond the management capacity of the NHA, the low affordability of the originally targeted group, the inappropriate program scheme and procedure involving private developers, the NHA faced severe management crises, such as the surplus of unsold units that forced the deregulation of the income ceiling for eligible applicants. The BEA program thus changed from its original mission as a home-ownership program for low-income people to something that improved housing for the lower- to middle-income groups.

The Baan Mankong (BMK) program implemented by CODI, had a large number of projects which were located in smaller cities where land development pressure is low and the relationship between a private landowner and the informal settlers is not fully commercialized. However, it was difficult for a big city like Bangkok, especially in its central parts, as land values are very high and private landowners are unlikely to sell their land to informal settlers at a discount price because of the competition from real estate developers. This approach used the savings group and was community based to implement the program but not all of the poor lived in the community, and some of people were single a household therefore this program could not support all of the poor in the city

The low income housing policy at the turning point can be concluded as follows: 1) Risk of populist policy: Large, urgent, ad hoc beyond the capacity of the housing agency; so the target needed to be set up according to the capacity, use of a proper time frame and permanent policy, 2) The Baan Mankhong shows potential of a community empowerment approach, and 3) What housing policy should be in the turning point? One housing policy cannot apply for all as universal. What is needed is a variety of options for different demands and affordability as such savings groups for the community or financial guarantees for individual households, ownership or rental. Due to the development of Thailand, there will be more formality and land will become more scarce. Thus, the housing agencies should focus more on rental housing rather than ownership. It might use Public Private Partnership (PPP) whereby the government could provide infrastructure and services and the private sector could build houses for rent.

In the Chapter 5, the author conducted the study in 11 low income communities with different characteristics to explore and to understand the transformation of the first generation of urban poor to their children, how the first generation in BMR consolidate their socio-economic conditions during and after the economy boom, how their children's conditions changed in terms of the socio-economic and housing situations, and what are the factors that influence and how it transforms the socio-economic development and land and housing markets in BMR. The study concluded that the socio-economic status of the second generation seems to be better off than their parents, however; there are still some of them who are at the same level or even worse than their parents. The most important factors which have led to an upward situation are: For the first generation, the age and origin of the first generation which is associated with their previous education has an effect on their income. The actual income and the number of children of the first generation also has an impact on the education of their children, the amount of time staying in one house has an impact on the education of their children, if the parents remained longer in one place their children received a better education. It might be because the parents acquired a stable life and a larger network to find a job and earn a more substantial income when they stayed longer in one place and did not have to spend their time setting up their lives in a new neighborhood. For the second generation: Education is a basic requirement to receive better opportunities and to get a better job. A better job means an improved income which enables the second generation to be able to afford to purchase or rent a better house.

In summary, transformation on socio-economic and housing situations over generations is quite successful. Many first generation people were able to consolidate their life in Bangkok under the rapid economic development of Thailand. Which led to the improvement of the second generation and improvement of housing conditions. However, almost 40% of the second generation have a similar level of education of their parents. The education level, age, origin, stableness of habitation of the first generation has an influence on the education level, occupation and housing of second generation which has an influence on the socio-economic.

Transformation of Low Income Housing and Communities in Bangkok under the Rapid Economic Development of Thailand

	Pages
Abstract	i
 Chapter 1: Introduction	 1
1.1 Socio-economic development and low income housing policies in the Thai's Context	1
1.2 Research interests	4
1.3 Objectives and conceptual framework	5
1.4 Limitations of the study	7
Chapter 2: Informal Settlements in Bangkok: Origins, Features, Growth and Prospects	9
2.1 Introduction	9
2.2 The development of Bangkok	11
2.3 The growth of informal settlements	14
2.4 Government responses	18
2.5 Conclusions	24
Chapter 3: Evaluation of the Long Term Impact of Low Income Housing	25
3.1 A resettlement project in Bangkok revisited	25
3.1.1 Background	25
3.1.2 Suwan Prasit 2 in 1990	26
3.1.3 Revisiting Suwan Prasit 2 in 2011	27
3.1.3 Success or failure	33
3.1.4 Conclusions	37
3.2 A land sharing project in Bangkok revisited	39
3.2.1 A brief history of Sengki settlement	41
3.2.2 Revisiting Sengki in 2013	51
3.2.3 Conclusion: assessing the outcome of the Sengki land sharing project	54

	Pages
Chapter 4: Low Income Housing Policy in the Turning Point	59
4.1 Introduction	59
4.2 An evaluation of the Baan Eua Arthon housing program	60
4.2.1 Analytical framework of the study	60
4.2.2 Major surveys	61
4.2.3 BEA housing program and its implementation	62
4.2.4 Evaluation of the BEA housing program in the BMR	67
4.2.5 Risks of populist housing policy	71
4.2.6 Conclusions	74
4.3 An evaluation of Baan Mankhong program	76
4.3.1 Introduction	76
4.3.2 An evaluation of Baan Mankhong program from different points of view	77
Chapter 5: Transformation of Socio-economic Characteristics and Housing of the First Generation of Urban Poor and Their Children	81
5.1 Introduction	81
5.2 Definition and analytical framework	83
5.3 Research methodology	85
5.3.1 Survey Area	85
5.3.2 Questionnaire	92
5.3.3 Limitations of the study	92
5.4 Socio-economic transformation over generations	93
5.4.1 Socio-economic characteristic of the first generation	93
5.4.2 Socio-economic characteristic of the second generation	94
5.4.3 Transformation of the socio-economic over the generations	95
5.5.4 Factors behind the transformation	96

	Pages
5.5 Housing transformation over generations	102
5.5.1 Housing characteristic of the first generation	102
5.5.2 Housing characteristic of the second generation	102
5.5.3 Transformation of the housing over generations and factors behind	102
5.6 Aging life of first generation and children's support	110
5.7 Conclusions	110
Chapter 6 Conclusions	113
6.1 Housing and the policy trends in Bangkok and Thailand	113
6.2 Evaluation of the long term impact of low income housing	114
6.3 Low income housing policy in the turning point	116
6.4 Transformation of socio-economic characteristics and housing of the first generation and their children	117
6.5 Transformation of low income housing policy under the rapid economic development and maturing society	117
 Acknowledgements	 119
List of Publications	121
References	123

List of Tables

	Pages
Table 2.1 : The economy of Thailand's regions (1981-2011)	10
Table 2.2 : Population of Bangkok Metropolitan Area (1855-2010)	12
Table 2.3 : Registered informal settlements in Bangkok (1985-2006)	15
Table 3.1 : Plot allocation and plot occupation in 1990	27
Table 3.2 : Number of plots and structures in Suwan Prasit 2 in 2011	28
Table 3.3 : Tenure status and housing quality	28
Table 3.4 : Ownership changes between 1990 and 2011	34
Table 3.5 : Household income of original households and newcomers	35
Table 3.6 : Value of houses of land-owning original households and newcomers	35
Table 3.7 : Land sharing projects in Bangkok during 1970s-1980s	41
Table 3.8 : Land use allocation	44
Table 3.9 : Status of households in Sengki	45
Table 3.10: Average plot price and down payment	46
Table 3.11: Total expenditure involved in Sengki project	48
Table 3.12: Key project actors	50
Table 3.13: Number of plots and structures in Sengki in 2013	51
Table 3.14: Housing tenure and use	52
Table 3.15 : Tenants in Sengki (original or newcomer households)	55
Table 4.1 : Selected projects and size of samples	62
Table 4.2 : BEA housing units supplied in BMR and other provinces (units)	65
Table 4.3 : Modification of the BEA housing program	66
Table 4.4 : Presence of BEA housing in BMR (2006–2012)	67
Table 4.5 : Monthly household income of the BEA housing residents by tenure	68
Table 4.6 Change in housing tenure of the BEA housing residents	69
Table 4.7 : Change in housing tenure of BEA residents by household income	69
Table 4.8 : Impact of BEA housing program on residents' housing conditions	70
Table 4.9 : Housing supply in BMR (units)	70
Table 4.10: The implementation of BMK from 2003-2015	76
Table 5.1 : Project, location, major characteristics, program, and sample size	86
Table 5.2 : Housing tenure and housing type of each community	90
Table 5.3 : Education and previous occupation of the first generation	94

List of Tables

	Pages
Table 5.4 : Education and occupation of the second generation	94
Table 5.5 : Comparison education level between the first and the second generations	95
Table 5.6 : Comparison the occupation of the first and the second generations	95
Table 5.7 : Education level in Bangkok	97
Table 5.8 : Comparison between education level of people in Bangkok and the second generation	98
Table 5.9 : Relation between education background of the first and the second generations	99
Table 5.10: Age of the first generation and education background of the second generation	99
Table 5.11: Original of the first generation and education of the second generation	100
Table 5.12: Year when the first generation moved to present house and education of the second generation	100
Table 5.13: Number of children of the first generation and education of the second generation	101
Table 5.14: Comparison housing tenure and formality of the first and the second generations	103
Table 5.15: Comparison housing type of the first and the second generations	104
Table 5.16: Impact of housing schemes	105
Table 5.17: Family composition in Thailand in 2014	106
Table 5.18: The difficulty of the first generation	108
Table 5.19: Do you have any anxiety in your aging life?	109

List of Figures

	Pages
Fig. 1.1 : The structure of this study	6
Fig. 3.1 : Suwan Prasit 2 in 1990, shortly after the resettlement	28
Fig. 3.2 : Suwan Prasit 2 in 2011	28
Fig. 3.3 : Land sharing projects in Bangkok during 1970s- 1980s	40
Fig. 3.4 : Location of Sengki land sharing project	42
Fig. 3.5 : Plot allocation before and after Land Sharing	47
Fig. 4.1: Location of BEA projects in BMR	61
Fig. 4.2 : BEA low-cost condominium	64
Fig. 4.3 : BEA house with land	64
Fig. 4.4 : Comparison of income distribution between owners of BEA and residents of the Greater Bangkok area	68
Fig. 4.5 : Risk of populist housing policy in BEA program	73
Fig. 5.1 : GDP per capital and GDP growth rate in Thailand during 1980-2015	81
Fig. 5.2 : Logical framework	83
Fig. 5.3 : Project location	85
Fig. 5.4 : FDI in Thailand 1970-2016	96
Fig. 5.5 : Average household income (Bt. /month)	97
Fig. 5.6 : Comparing of education level by different ages in Bangkok in 2007	98
Fig. 5.7 : Who did pay for the housing cost? (purchase/(re) building)	104
Fig. 5.8 : Who did pay for the housing cost? (upgrading)	105
Fig 5.9 : An expectation on living together with children	106
Fig. 5.10: The possibility to live with children	107
Fig. 5.11: The reason that the first generation don't wish to live with their children	107
Fig. 5.12: Supported by children	108
Fig. 5.13: Anxiety in aging life of the first generation	109
Fig. 5.14: Factors which influenced on the transformation from the first to the second generations	110

Chapter 1

Introduction

1.1 Socio-economic development and low income housing policies in the Thai's Context

Bangkok plays a very important role as the economic and political center of Thailand. Less than one fifth of Thailand's population live in Bangkok Metropolitan Region (BMR: Bangkok and five vicinity provinces) but contribute to almost one third of the GDP of Thailand (Yap and Kittima, 2016). As the economic and political center of Thailand, it requires a large amount of urban labor which attracts many rural urban migrants. Some migrants come temporarily and return. The urban poor need a place to live and build their houses. Due to not enough funds, they were unable to build houses that met the housing regulations and standards. The housing that was built is referred to as "slums or informal settlements".

To understand the development and transformation of the socio-economic development and low income housing policies and how socio-economic development and low income housing concepts and measurements have transformed with regard to the low income people in Thailand, it is necessary to review the history.

After World War II (WWII), the low-income housing in Thailand, especially in urban areas was under severe discussion. This was due to a number of reasons 1) the rural migration to the urban areas 2) the houses were damaged during WWII 3) the investors began to build commercial and industrial buildings on the land which was formerly used for housing and 4) most of the new houses were expensive and the poor could not afford them. Which in turn pushed the poor out of the formal housing market. The Thai government tried to solve these problems by establishing the Housing Division under the Public Welfare Department in 1940 to solve the problems. However, the problem of housing for low-income households became more severe. The government then founded some more related divisions such as the Housing Bureau, in 1942, Government Housing Bank (GHB) in 1953 and Community Improvement Office in the Bangkok Municipality in 1960 (Chiu, 1984, p.32). According to Tanphiphat and Singhakakeres (1982) the Thai government played a very limited role in the housing market (Tanphiphat and Singhasakeres, 1982, p.141). The Housing Department and Housing Bureau were established in the 1940s, nevertheless, these government agencies were only active after 1950 when the Housing Department was responsible for the construction of public housing and the Housing Bureau undertook the management. In 1953, the GHB was established and it was responsible to provide the housing construction finance and housing mortgage in addition to develop the residential subdivision plots for sale. The Community Improvement office was responsible for slum clearance, urban renewal, and construction of apartments for slum residents (Giles, 2003, p.232).

The Thai economy began taking off in 1970s and has gradually kept growing. The problem of slums was first identified as a National Issue from the government during the Third National Economic and Social Development Plan (1972-1976). In the early 1970s the World Bank started to provide loans for housing projects in developing countries specially to adopt self-help methods. Its approval of "**site and services**" was consistent with the UN's ongoing emphasis on self-help (Giles, 2003, p.236). Its impact

on the Thai government helped it to become more energetic in the housing field (Giles 2003, p.236). In response to this the National Economic and Social Development Board (NESDB,nd) set up a housing sub-committee to study housing problems and to draft a housing program to be placed in the Third National Economic and Social Development Plan (1972-76). It led to the idea of combining all housing related activities into one single exclusive organization by consolidating the responsibilities of the Housing Department, Housing Bureau, the GHB and Community Improvement together.

In 1972, Field Marshal Thanom Kittikachorn issued the Decree No. 316 to set up the National Housing Authority (NHA) under the Ministry of Interior on 13 December 1972. The responsibilities of the NHA were to develop housing for people; to conduct urban community development; to upgrade or eliminate slums; to provide housing for rent, sale and hire-purchase, and to subsidize and guarantee tenants and buyers (Chiu, 1984, p.33)

After its establishment, the NHA still continued the work of the four agencies. The Thai housing policy did not change instantly. In 1976, the NHA presented the first five-year plan which called for the construction of 20,000 units per year. However, after 2 years of implementation the first plan was cancelled by the government because it was too ambitious and unreasonable (Yap 1995, p.286). It forced the NHA to consider an alternative to public housing and slum clearance (Giles, 2003, p.237).

The First to the Third National Economic and Social Development Plan which focused on providing buildings, basic infrastructure and employment, increased the urban poor sharply. There were 300 slums in which there were around 800,000 dwellers. Klong Toey, the largest slum in Thailand, accommodated 150,000 dwellers. Although the concept of the plan was changed in the Fourth National Economic and Social Development Plan that the slum was the Housing Stock of the low-income people. There were guidelines to prevent the slum by controlling the construction to be under the urban planning. The first option was to eliminate slums and replace them by public housing and the slums that were unable to be eradicated were to be given housing registration (NESDB, nd).

In 1977, the World Bank and other international agencies tried to influence Thailand to increase the capability to provide housing for the urban poor. The World Bank provided funding for these projects. The NHA adopted the site and services and slum upgrading plan in an "Accelerated Plan" (1979-1982). *However, site and services approaches lacked support from the politicians* (Yap and Wandeler, 2010, p. 335). The government withdrew the support towards the NHA from the tenure security point of view, these approaches were fated to be ineffective as they were not considered as an acceptable option for the land tenure regularization by most of land owners. The lands were given to the slums on a temporary basis and the land owners did not want to lose their property to the poor. Although the NHA improved the living conditions of the urban poor, the insecurity of tenure still remained and the poor were still evicted by force. From the literature it is not known how many slums were evicted, but that it happened is a well-known fact (Yap, 1995, p. 15).

When there was the second oil crisis in 1979, the government tried to solve such problems by establishing a Housing Council but it was non-active. In 1982 General Prem Tinsulanond appointed a Housing Policy sub-committee under the supervision of the Board of National Economic and Social development. The sub-committee consisted of

delegates from the public sector, private sector and academics. The responsibility of this sub-committee was to propose a national housing development policy with guidelines.

A first comprehensive survey of slums and squatter settlements in BMR in 1985 found 1020 slums and squatter settlements (Pornchokchai, 1985). It estimated the population in these informal settlements as approximately 1.2 million people. By the mid- 1980s the mainstream of development policies had changed. Housing policies were encouraged to focus on the trade liberalization and deregulation of land and housing markets (Pugh, 1994, p.166). During this time *it was found that the site and services and slum-upgrading approaches had been unable to meet the goals*. According to Cohen (1983) the problems of these approaches are the land acquisition and tenure, cost recovery and project management (Cohen 1983, p.29). The World Bank started to consider housing in the context of urbanization. A new concept of enablement was introduced. It focused on the market as a provider for urban poor housing (Pugh 1994, p.161). The approach provides “the legislative, institutional and financial framework whereby entrepreneurship in the private sector, in communities and among effectively developed the urban housing sector” (Pugh, 1994, p.166). This concept was introduced to countries that had inadequate resources and whose specific plan for urban poor housing was weak, like Thailand. The Thai government adopted this concept within the Sixth National Economic and Social development plan. The main principle of this plan was to promote the private sector to participate in the national development and the government’s role was to coordinate, supervise and support the private sector. NHA had to change its role from housing provider to planner, monitoring body and management of housing development. However, the activities and the plan of the NHA were limited because the NHA was struggling with its projects and the government was not providing funding. According to Giles (2003:2004) the effect of the enabling approach to the urban poor in Thailand was not clear. Due to this it may not be the most appropriate basis to evaluate its impact (Giles 2003). In terms of slum upgrading NHA was run on a small scale and they encountered several problems as many land owners were unwilling to support slum upgrading as they were scared that this would give slums a more stable character (Yap, 1995, p. 286)

During 1987-1997 the Thai economy was booming. Money was abundantly available for investments, especially in real estate. The construction of roads and bridges opened up access to new land for development. The price of land increased sharply. Many of Bangkok’s slums came under the acute threat of eviction. In 1998 The Human Settlement Foundation (HSF) reported that 36,739 low income households had been evicted (HSF, 1998). The improvement of housing conditions by the government was ineffective, NGOs began to support the slum dwellers in their struggle against eviction and empower them to have increased access to urban land housing. *Land Sharing was a new approach and it was introduced in Bangkok in the 1980s*. In principle, land sharing was considered to be a **win-win** solution for land owners and the urban poor. (In practice, this has not always turned out to be the case).

There was also an attempt to include housing policy into the National Economic and Social Development Plan and a housing development and urban poor fund was proposed until this was developed which would be run by the Urban Community Development Office (UCDO) under the NHA in 1992 (NESDB) . The government provided an initial capital of 1,250 million Baht (30 million US\$) for the Urban Poor Development Fund (Boonyabancha, 2003, p.5). The purpose of the fund was to extend loans to community

savings groups for income generation, land purchasing and constructing or improving housing.

The Asian Financial Crisis hit the Thai economy during 1997-1998, which brought with it an increased absolute poverty, unemployment, under-employment and inequality and reduced real wages (Hewison, 2002). In 1999, the Thai economy was recovering, the GDP had a positive growth rate. Thaksin Shinawatra and his party won the general election in 2001. In 2003, he announced the populist policy to build a million houses for the poor to solve the housing problem in Thailand. There were three programs within a period of five years (2003-2007). 1) The **Baan Eua Arthorn programs** (we care for housing). NHA had to build 600,000 housing units within five years (2003-2007) (NHA, 2002). However, the Baan Eua Arthorn projects created a number of problems for the NHA. The target was too high and there was a lack of a well-planned systems in place. The NHA was forced to sell at the same prices throughout the country. It did not serve the market demand (Urban Solutions 2005). In many areas the rapid construction caused oversupply. It was not because there was a lack of customers but it was due to the fact that the poor did not have access to financial support from the bank (Chanond, 2009). 2) **The Baan Mankhong programs** was implemented by an independent public organization called the Community Organization Development Institute (CODI), *The objective of this program was to improve housing, living, and tenure security for 300,000 households in 2000 poor communities in 200 cities within 5 years.* The Baan Mankong programs used the networked saving groups by enlarging the partnership and seeking a city-wide impact. Each network of community groups set up a partnership with their local government, NGOs, professionals and universities in the city. The partnerships surveyed the low-income communities in the urban areas and a draft of the plan was constructed as a practical result for their land and housing problems (Boonyabancha, 2005, p.25). And 3) Housing finance for 100,000 low income households which implemented by the Government Saving Bank (GSB).

Prime Minister Thaksin was exiled in September 2006 but this did not have a serious impact on the economy. However, it had a big impact on the housing programs for the poor, especially the Baan Eua Arthorn programs because the government that took over from Thaksin stopped subsidizing the projects, this caused many incomplete projects to end and the NHA had yet another crisis (Chulalongkron U., 2010).

In 2011 Yingluck Shinawatra entered office, the focus of this Thai's government was on populist policies such as the rice scheme but to a lesser extent on low income housing. Prime Minister Yingluck Shinawatra stepped down following the Thai military coup in May 2014. The recent government run by General Prayut Chan-o-cha has taken up the Baan Mankhong programs and has initiated a new low income housing program call **"Baan Pracharat"** which gives mortgages to low income households, who earn less than Bt.15,000 per month, enabling them to buy a house which is a different concept from subsidy changing the supply side to demand side.

1.2 Research interests

The development of Thailand and the way in which the housing agencies have responded has led to several questions which require to be further investigated. However, the author would like to focus on the following research aspects:

- 1) Government and housing agencies **spend a lot funds to improve the housing for the poor but have never look back to and evaluated the long term impacts of their**

- projects**, this study wants to evaluate the long term impacts of some housing programs (policies)
- 2) What sort of housing policy should be at the turning point of the socio-economic development process in Thailand
 - 3) **Thailand has transformed from a developing country to an upper middle income country**, the people in Thailand receive the benefits from the development of Thailand, not only the high and middle income but also the low income. Thus it would be interesting to **evaluate how the low income population have been transformed from the first generation who entered the labor market at the developing stage compared to their children** (second generation)
 - 4) Within 20 years from now, Thailand will become an absolute aging society, as the poor are always the ones who are left behind it is very important to study how the **first generation of urban poor live and what are their the expectations**

1.3 Objectives and conceptual framework

This study aims to examine the transformation of the low income housing and communities in Bangkok under the rapid economic development of Thailand through:

- 1) To evaluate the long term impacts of housing policy, which has been developed by housing agencies from the beneficiary's point of view
- 2) To evaluate the housing programs at the turning point between the developing economy and the new industrial economy
- 3) To examine how the first generation of urban poor have consolidated their socio-economic and housing conditions and identify what are the factors that have an influence on the socio-economic and housing conditions of the first generation of urban poor and their children (second generation)
- 4) To examine the aging of the first generation of urban poor and what the possibility is of support from their children.

To achieve the ultimate objectives the author structures the thesis into 6 chapters as follow :

- 1) The first chapter composes of 4 main parts :1) Literature review to describe socio-economic development and low income housing policy in the Thai's context 2) Research interests 3) Objectives and conceptual framework, and 4) Limitation of the study
- 2) Chapter 2: Informal Settlement in Bangkok: origins, feathers, growth and prospects. This chapter defines the terms of informal settlements, why and how the informal settlements have emerged in Bangkok, and the growth of informal settlements
- 3) Chapter 3: Evaluation of the long term impacts of low income housing. This chapter is composed of 2 main case studies. The purposes of this chapter is to evaluate the long term impact of the two housing programs which were implemented with different approaches, namely: resettlement and land sharing. These have a similarity as both give security of land tenure and upgrade infrastructure but one relocated the poor to remote areas while with the other, the poor could stay at the same site
- 4) Chapter 4: Evaluation of low-income housing at the turning point. This chapter investigates two housing approaches under a populist housing policy: 1) An impact of Baan Eua Arthorn housing programs from the beneficiaries and resident's perspective. 2) An evaluation of Baan Mankhong.

- 5) Chapter 5: The transformation of the second generation of urban poor. How are they different from their parents in terms of socio-economic and housing conditions? What are the factors that have influenced them with respect to socio-economic and housing conditions of the first generation of urban poor and their children (second generation). What impacts will the aging of the first generation have and will the children support the first generation?
- 6) Chapter 6: This chapter will conclude with what are the reasons that have been learnt from all of the chapters and give some recommendations

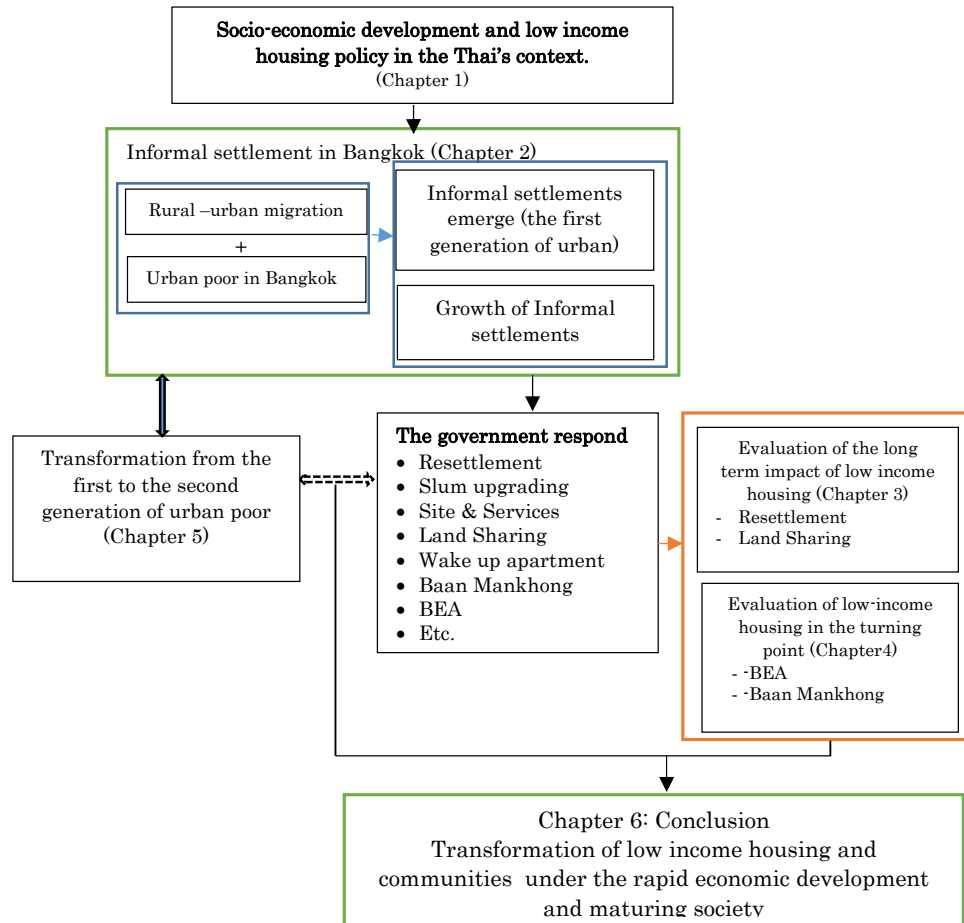


Fig. 1.1: The structure of this study

1.4 Limitations of the study

- 1) There are several low income housing programs which the government has used to assist the poor, but this study is limited as to what it can measure
- 2) Most of the studies regarding the impact of low income housing programs have been evaluated directly but to study the long term impact of low income housing programs is very rare because it needs the information which has been taken over a long period of time
- 3) In terms of transformation, second generation information came indirectly from their parents.
- 4) The lessons learnt from this study cannot be used as universal lessons, but some of the lessons can be applied to future housing policies.

Chapter 2

Informal Settlements in Bangkok: Origins, Features, Growth and Prospects

2.1 Introduction

Some studies estimate that between one and two million people in Bangkok live in what are often called **“slums and squatter settlements”**. The terms are unfortunate, because of their pejorative connotations and the term “slum” is often actually used to refer to a place that houses people society looks down on¹. However, Stokes distinguished “slums of hope” and “slums of despair”. “Hope” refers to the intention of slum dwellers to improve themselves and their expectation of a positive outcome. “Despair” denotes the absence of such an intention or a negative estimate of the probable outcome of such an attempt (Stokes, 1962) and the settlements in Bangkok are tend to be mostly “slums of hope”.

To avoid any contradiction, this chapter used the term **“informal settlement”**, i.e. clusters of houses which did not meet formal regulations regarding plot size, building materials, density etc. and were therefore not recognized as an integral part of the city. The chapter explored the origins, growth and features of informal settlements in Bangkok, and analyzes the responses by the government. In the light of the responses, it considered the prospects of informal settlements in the context of rising land values and a growing scarcity of land for such housing.

A social history of Thailand that described the experiences of ordinary people rather than the elite was largely absent² and this made it hard to find information on the origin and development of specific informal settlements. There were also no longitudinal data sets based on surveys that consistently applied the same definition and methodology. Because in-depth information on informal settlements outside Bangkok is scarce, the chapter focuses on Bangkok. There was, however, no reason to assume that informal settlements in other cities were fundamentally different, except for the impacts of lower development pressure and land values, a less commercial attitude among landowners and a less individualistic attitude among informal settlers³.

Bangkok is not Thailand, but it dominates Thailand administratively, politically and economically. In 2010, Thailand had a population of 65.5 million and an urban population of 28.9 million. The Bangkok Metropolitan Area (BMA), run by the Bangkok Metropolitan Administration (also BMA) had a population of 8.2 million, but Bangkok’s built-up area extends into parts of five other provinces which form the Bangkok Metropolitan Region (BMR) with a population of 14.6 million (NOS, 2010). Some parts of the Eastern region with its deep-sea port, industrial estates and beach resorts are part of the Extended Bangkok Metropolitan Region (EBMR). The concentration of investments and economic growth in the BMR and EBMR has led to major income inequalities.

¹ Akin Rabibhadana: personal communication

² Srisak Walipodom: personal communication.

³ Akin Rabibhadana: personal communication.

Table 2.1: The economy of Thailand's regions (1981-2011)

	1981		1990		2000		2011	
Region	% of GDP*	GRP per capita**	% of GDP*	GRP per capita**	% of GDP*	GRP per capita**	% of GDP*	GRP per capita**
Northeast	13.5	6,142	12.0	13,605	9.3	22,105	10.2	60,477
North	12.6	10,039	10.0	20,350	7.7	33,444	8.2	79,179
South	9.8	12,401	8.7	26,058	9.4	57,298	10.5	131,113
East	7.7	20,254	8.1	50,425	13.3	163,623	17.7	377,714
West	6.0	15,981	4.4	29,948	3.9	56,185	3.7	116,516
Central	4.7	14,409	4.0	31,455	6.2	104,677	5.8	208,114
BMR	45.6	48,764	52.8	127,275	50.2	244,876	43.8	331,333
Thailand	100.0	15,933	100.0	39,104	100.0	81,304	100.0	168,981

Source: National Economic and Social Development Board (NESDB). *Gross Domestic Product and Gross Regional Product 1981-1995 (11 sectors)*. Bangkok: National Economic and Social Development Board, 1995; National Economic and Social Development Board. *Gross Regional and Provincial Product, Chain Volume Measures 2012*. Bangkok: National Economic and Social Development Board, 2012.

* Contribution to Gross Domestic Product

** Gross Regional Product per capita at current market prices (Bt)

Over the period 1988-2011, Thailand's average Gini coefficient for income was 0.51, ranging from 0.484 to 0.536 (NESDB, 2012). Inequalities were particularly wide between regions. Less than one-fifth of Thailand's population lives in the BMR which contributed almost half of the GDP, while one-third of the population lived in the Northeast which contributed slightly more than 10 % (table 2.1). Inequalities have led to massive migration, particularly from the Northeast to the BMR. Some migrants came temporarily and returned, regularly or eventually, to their place of origin; others came to stay. Migrants often supported relatives in their place of origin and this reduced their already meagre disposable income. Many found housing in informal settlements where they join the Bangkok-born poor. The way Bangkok developed has greatly influenced how and where informal settlements emerged.

2.2 The development of Bangkok

After the sacking of Ayutthaya by the Burmese in 1767, King Rama I selected the location for his new capital based on military considerations. In 1782, he built his city on higher grounds on the east bank of the Chao Phraya River in a bent to ensure that it was protected to the north, west and south; a moat was dug to defend the eastern flank. Beyond the moat stretched the river's flood plain which writers described as a swampy sea of mud, a jungle of swamp grass populated by crocodiles, an amphibious terrain, neither land nor water, and a nearly impenetrable barrier to access the city from the east. Most of it was too low for all-year housing, while the absence of canals made rice cultivation difficult.

Transport was by boat due to the absence of roads and families lived and traded from boats or houses built on rafts that moved with the tide. When the 1855 Bowring Treaty liberalized foreign trade and facilitated the export of agricultural produce, the construction of canals and dikes transformed the city's hinterland into rice fields and orchards with new settlements along the waterways. Until the 1880s, transport remained water-based, as only five roads existed outside the royal compound (Ouyyanont, 1999, p. 442). Outside the city were Mon and Chinese villages established before 1782, as well as settlements of Khmer, Lao, Vietnamese and others developed on land granted by the king to foreigners who had served him.

As the population grew, the king granted land outside the moats to aristocrats, senior bureaucrats and foreigners connected to the court for their mansions. With increasing traffic, roads were constructed along the canals which were later filled to widen the roads. Thus, the road network followed the pattern of the canals, while the pattern of the rice fields was preserved in the neighbourhood layouts. Newly cut roads made land accessible for development, but without overall coordination, each development was served by its own narrow, often dead-end road. Residual land which could not be developed due to its small size, awkward shape or lack of public access remained unfilled and swampy.

During the absolute monarchy, the king owned all the land, but people had the right to use it. Registration of land titles started in 1901, but a lack of capacity hampered its progress. When the absolute monarchy was abolished in 1932, landownership in Bangkok was granted to whoever had possessed it during the previous ten years. As a result, 30 % of Bangkok's land became privately owned and 30 % stayed with the royal family (Chanond, 1983, p.43); unclaimed land devolved to the state and was placed under the jurisdiction of a public agency (Vandergeest and Peluso, 1995, p.401). As they came to own more land than they needed for their operations and lacked clear land policies, vast stretches remained vacant (Jethamstapond, 1984, p.39).

During the 19th century and early 20th century, the city population was quite small (table 2.2) and there was little rural-urban migration, as rural areas remained isolated due to a lack of roads. Labor demand was met by Chinese immigrants, but their immigration ended in the late 1940s. Labor demand was sluggish in the 1940s and 1950s, but increased in the 1960s, when economic growth accelerated. At the same time, population growth quickened: from 1.9 % in 1947, to 3.2 % in 1960. This put pressure on rural incomes, increased rural poverty and induced rural-urban migration (Ouyyanont, 1998, p.94). If the impact of reclassification is excluded, net migration contributed 8.7 % of Bangkok's population growth during the 1960s, 18.4 % during the 1970s, 30.6 % during the 1980s and 30.2 % during 1990s, the other component being natural growth (Sueprasertsitthi, 2004, p.60).

Table 2. 2: Population of Bangkok Metropolitan Area (1855-2010)

Year	Population	Year	Population
1855 *	100,000	1970 **	3,110,000
1913/14 *	365,000	1990 **	5,888,000
1937/38 *	890,000	2000 **	6,360,000
1950 **	1,360,000	2010 **	8,213,000

* Source: Ouyyanont, Porphant. "The Bangkok Economy in 1937/38," In *Essays on Thailand's Economy and Society*, eds. Pasuk Phongpaichit and Chris Baker (Bangkok: Sangsan, 2013), 5.

** Source: United Nations Population Division. *World Urbanization Prospects 2014. File 12: Population of Urban Agglomerations with 300,000 Inhabitants or more, by Country, 1950-2030* (New York: United Nations, 2014).

- **Land for housing the poor**

Bangkok's expansion has not followed any plan, but has mainly been driven by profit-seeking landowners and developers. Rural-urban migrants and the city-borne poor in need of a place to live built their houses on land rented from private landowners, particularly plots which could not be easily developed due to their small size, awkward shape or lack of public access. Some landowners built rental houses or rooms for their workers or outside tenants. Housing also developed around centers of employment such as markets and intersections of roads and waterways and around the settlements of ethnic minorities⁴. Some migrants, such as workers for the port and the railways, built houses on their employer's land and these would form the nucleus of larger settlements.

Like in other Southeast Asian cities, waterways became lined with rows of houses on stilts, despite a right-of-way on river and canal banks; similar developments occurred along railway lines. In the urban fringe, farmers who had abandoned agriculture and companies which had bought abandoned rice fields and orchards subdivided the land and sold or let out plots for housing. Simple land rental subdivisions targeted the poor; the more elaborate ones which sold land targeted middle-income households. Many subdivisions did not meet regulations, especially regarding the provision of basic infrastructure, but developers used loopholes in the regulations (Thadaniti and Pornchokchai, 1990, p.42-47).

For land rental settlements, there sometimes was a written contract, but often only a verbal accord, because contracts were less important than the relationship between landowner and tenant (Johnson, 1978, p.463) which was semi-commercial or customary like a patron-client relationship. Landowners insisted, however, that the rental arrangement was temporary. The tenants could be told to leave at short notice and thus lived under a constant threat of eviction. They had no incentive to invest in the improvement of their house to regulatory standards which in turn prompted the authorities to refuse house registration and access to urban services. It permitted landowners who rarely charged economic rents to overcharge for water and electricity (Angel and Pornchokchai, 1989, p.138).

As society expects family members to support each other in times of need, people would invite relatives to join them. In fact, households included not only close and distant relatives, but also friends and fellow villagers. Initially, these might occupy a room in the house, but would later build an additional room or house. Some lived rent-free in a

⁴ Srisak Walipodom, Yongtanit Pimonsathaen: personal communications.

relative's house; others paid the room, house or landowner. Some land-renters would sell their house or their tenancy arrangement to unrelated outsiders, making land and house tenure arrangements in a single settlement very complex over time. In 1977, Angel et al. described **informal settlements as a component of an elaborate but effective housing delivery system** for the urban poor that relies little on planners, engineers and other professionals. It ensures that there is no housing shortage and everybody is housed in one way or the other (Angel, Benjamin and H. De Goede, 1977, p.80-83).

Surveys showed that informal settlements in Bangkok were relatively small with on average around 1,000 inhabitants or 200-250 households. The settlements found across the city in residential, commercial and industrial areas. A typical settlement consisted of a dense cluster of one or two-storey houses made of wood, asbestos or corrugated iron sheets. Because it used to be a rice field or orchard and landfill was expensive, the land floods during the rainy season or was permanently filled with stagnant water. Houses were built on stilts and were connected by wooden walkways to the main road. Toilets consisted of a squatting platform and concrete rings dug into the ground. Water supply often came from an adjacent formal house through a hose or PVC pipe. Since the BMA started to register informal settlements, they can be legally connected to the city water supply network, but their tenure status remains precarious.

Informal settlements were located on private and on public land; some occupied partly public and partly private land. Unused public land did not consist of small, awkward-shaped plots, but of large land parcels owned by departments and agencies like the Treasury Department (TD), the State Railways of Thailand (SRT) and the Port Authority of Thailand (PAT). Workers who had built the port or were working for the port occupied PAT land, while labourers of the SRT settled on railway land. Other landowners with informal settlements on their land include the Crown Property Bureau (CPB) and temples. The temples which became landowners through donations by followers allowed the poor, particularly those connected to the temple's monks, to occupy temple land in exchange for food and labour. The CPB said to have numerous informal settlements on its land.

Unlike private landowners, public landowners such as the SRT and the PAT did not rent land to informal settlers. Those who occupied their land can be considered "squatters", but unused public land was rarely occupied without the consent of local officials (Boonyabancha, 1983, p.263) who would be more than ready to give their consent if they were paid, even if they were not in charge of land management (Elinoff, 2013, p. 164). In addition, customary law plays a role in the occupation of public land. Informal settlers respect private property rights over land in an urban context, but question an exclusive right by state agencies over unused public rural and urban land.

2.3 The growth of informal settlements

Although the type of housing has existed much longer, “slums” in Bangkok started to gain serious attention in the 1960s and early 1970s. The first plan for the Greater Bangkok, prepared in 1960, identified one-third of the city’s residential areas as blighted or slum (Tanabe, 1969, p. 75-76). In 1971, it was reported that around 60,000 families in the BMA were homeless or lived in informal settlements, the largest being Klong Toey with 25,000 inhabitants; others lived under bridges or on boats (Drexler, Palash and Deselm, 1971, p.26, 45). In 1972, a study of six “slums” in Bangkok, commissioned by UNICEF, noted that many “slums” were hidden behind modern buildings or deep in residential lanes, wherever a bit of land was left over. Beyond the homes of middle- and upper-class families, almost every lane had a “slum” comprised of half dozen or more dwellings built on stilts over undeveloped, unfilled land (Morell, S and Morell, D, 1972, p.2).

The difference between rural houses and informal urban houses is minor, but what distinguishes a rural village from an urban informal settlement is the building density due to the scarcity of urban land. Such a high density without adequate drainage and sanitation creates unhealthy conditions, while the use of wood as building material creates fire risks. The first building regulations in Thailand date from 1898. They were regularly amended in the 1930s in response to fires that destroyed wooden houses and imposed the use of fire-resistant materials for urban buildings. They applied to “post-fire” areas only, as adaptation of existing buildings would have been too costly. Modern building regulations date from after World War II and particularly after 1979⁵. With a stroke of a pen, the traditional wooden houses of the poor were turned into an informal settlement, if not a “slum”, unfit for a capital city.

Since the late 1960s, government and NGOs have conducted surveys in Bangkok to measure the magnitude of informal settlements and their population, but the results are difficult to compare due to differences in the definition of “informal settlement”, the methodology used and the area covered. The population is often estimated on the basis of an average household size, although that average may differ by type of informal settlement. As Bangkok develops and land prices rise, informal settlements are pushed to the urban fringe and new areas need to be included in the survey. A comparison with earlier surveys becomes difficult, as the number and size of informal settlements in previously un-surveyed areas is unknown.

A 1982 survey by the National Housing Authority identified 424 slums with a population of 516,600 not including “the vast population of illegal squatters along the canals and railroad tracks” (Jethamstapond, 1984 p.39). In 1985, Pornchokchai identified 1,020 settlements (943 in the BMA and 77 in parts of two adjacent provinces) with a total population of one million (Pornchokchai, 1985). A 1992 study found 978 settlements in the BMA with a total population of 1.3 million (Setchell, 1992). Endo recalculated the number of informal settlements and their population, adjusting the data to make them comparable (table 2.3). She found a significant increase in the number of settlements and their population between 1985 and 2006 and a shift from the inner city to the urban fringe (Endo, 2014, p. 46).

⁵ Yongtanit Pimonsathean: personal communication.

Table 2.3. Registered informal settlements in Bangkok (1985-2006)

	Year	Inner-city	Intermediate zone	Urban fringe	Total
Settlements	1985	406	486	51	943
	2006	534	860	380	1,774
Population (x1,000)	1985	373	538	46	957
	2006	580	912	315	1,807
Average population size	1985	918	1107	898	1014
	2006	1085	1061	828	1018

Based on BMA data on communities in Bangkok.

Source: adapted from Tamaki Endo. *Living with Risk: Precarity & Bangkok's Urban Poor*. Singapore: NUS Press, 2014: 46.

As economic growth helped households move to formal housing and values of inner-city land have been rising rapidly, informal settlements were assumed to be in decline, particularly in the inner city, but Endo found an increase in settlements and population in the inner city. Factors that may explain this increase include: (a) the data cover registered informal settlements and unregistered settlements may have registered between 1985 and 2006; (b) some settlements may have split into two or more; (c) new settlements may have developed; (d) settlements too small for earlier inclusion may have grown in area or population; and (e) a few formal settlements may have been included erroneously. While the average population size of informal settlements in Bangkok stayed constant, it increased by 18.2 % in the inner city. Unless new land was occupied, this would indicate a densification of inner-city settlements⁶.

• Insecure land tenure

Informal settlements have low levels of land tenure security and the settlers face a constant threat of eviction. Some landowners give official notice of an impending eviction; others stop collecting rent to indicate that the contract has been terminated, although the actual eviction may still be months, years or even decades away. The rent-free period can be seen as a form of compensation by the landowner. In the past, evictions from private land were often amicable because of the close relationship between landowner and tenants and the availability of alternative sites. With rising land values, evictions have become more frequent, particularly after a change of ownership (Boonyabancha, 2009, p.264) or a sharp increase in land value.

When the original landowner dies and the property is divided among the heirs or sold to a developer, the nature of the landowner-tenant relationship changes. For the new owner, the land is nothing more than an asset that can be liquidated. A landowner may also be inclined to develop or sell land, when a new road is cut, a bridge is built or several plots can be amalgamated and the land becomes attractive for development. For the landowner, it offers an opportunity to make a windfall profit, but for many urban poor an eviction is a disaster, as it destroys their socio-economic networks which act as safety nets and provide employment, income and credit.

The 1980s were a pivotal period for informal settlements. Evictions have always occurred, but there was still sufficient urban land available to settle informally. The 1985 Plaza Accord led to a revaluation of the Yen which forced Japanese companies to move their factories overseas. This benefitted the Thai economy, increased employment and stimulated rural-urban migration, but also drove up land prices, leading to more evictions. Moreover, as neo-liberal economic policies took hold, international financial institutions put pressure on the government to privatize state-owned enterprises or

⁶ Tamaki Endo: personal communication.

make them self-financing. The state-owned enterprises started to see the commercial development of their unused land as a way to reduce the deficits from their core operations.

Economic growth which centered on and around Bangkok increased inequality between Bangkok and the rest of the country and caused many development-induced problems. Feeling that the government was unable, if not unwilling, to tackle these problems, some people established NGOs to promote people-centered development and alleviate poverty, initially in the rural areas where the conditions were the worst (Jumbala and Mitprasat, 1997, p.195-216). However, because rural poverty and urban labors demand pushed farmers to the city and into informal settlements, NGOs became increasingly involved in urban informal settlements. As Thailand came under civilian rule, political space which had been almost non-existent under successive military regimes opened up for protests against evictions.

Many NGOs were initially welfare-oriented, but some became development-oriented and political, seeking to empower the poor. The Human Settlements Foundation was established in 1988 to make organizations of informal settlers self-reliant in planning and undertaking actions that address problems such as evictions. While doing so, it had to deal with the inherent contradiction of being both a catalyst for self-reliance and empowerment and a source of dependency-creating assistance. Because of its support for resistance against evictions, its relationship with local governments became less cooperative and more confrontational and even hostile (Pratt, 1993, p.40-54). NGOs also promoted networks of the urban poor to facilitate the exchange of information and lessons learned. This as well as better education and better access to information made the urban poor more aware of their situation and the inequalities in Thai society.

Payment of a financial compensation to the affected households became a common practice, as it often added only a small amount to the total project costs and no time was wasted on negotiations. A financial compensation is attractive for the poor as many are in debt, but is rarely sufficient to find similar housing in an equally suitable location elsewhere. If they faced with prolonged resistance, some landowners would bribe a local leader, hire thugs to evict the settlers by force or resort to arson to free the land. With houses made of wood and built close to each other, a fire can easily destroy an entire settlement. As the houses cannot be rebuilt until the authorities have investigated the cause of the fire, the population becomes homeless and has to find alternative housing.

Unlike evictions from private land, evictions by a state agency have almost invariably been resisted (Ockey, 2004, p.148), because the settlers feel that the state is wrong to use its land to make money at the expense of the poor. Because the government usually does not have a unified stand on informal settlements and evictions, affected settlers try to play one part of the government against the other. They contact NGOs, the media, politicians and even the royal family to make the eviction a political issue that all want to see resolved quickly and without the loss of face. A landmark in the struggle against evictions was Klong Toey where people had faced an eviction threat by the PAT for years.

Several NGOs had worked with local groups in Klong Toey to provide welfare services to the poor. When the PAT again threatened parts of Klong Toey with eviction, they joined hands to mobilize resistance to the eviction. Prateep Ungsongtham, who was born in Klong Toey and taught children at an informal school, played a major role in this struggle. She and other social workers contacted government agencies, politicians and

academics to raise awareness of the eviction among the public and international agencies. In 1983, the PAT agreed to a land-sharing arrangement, granting a 20-year lease to the dwellers on part of the land (Boonyabancha, 1988, p.78-79). Land sharing recognizes the claims of both the landowner and the informal settlers by dividing the land into two parts: one to re-house the informal settlers on site and the other to be returned to the owner who can develop it.

In the 1980s and 1990s, land sharing was applied in Bangkok in several instances, but the cases also showed its limitations (Yap, 1989, p.27-37). There are several conditions for effective land-sharing: (a) a booming property market which will persuade the landowner to make concessions; (b) an established, well-organized and homogeneous settlement with strong bargaining power; (c) intermediation by an outside agency to negotiate an agreement; (d) the technical, physical and financial feasibility to share the land (Yap, 1989, p.27-37 and Rabé, 2010). Some land is simply too small to be shared or the portion for the informal settlers is too small to build detached or row houses, while apartments are not the type of housing many urban poor want, as it requires a different lifestyle.

2.4 Government responses

Informal housing has important advantages for the urban poor. Besides its lower cost and less rigid payment conditions, it offers in-house opportunities for income generation which becomes more difficult in formal housing. Its informality permits a wide range of tenure arrangement to fit the variety of housing needs of the poor. Because it does not follow regulations, informal housing is flexible and adaptable to changing needs. Its disadvantages include land tenure insecurity and a lack of adequate infrastructure. Most governments fail to learn from informal housing and their public-sector housing has consequently been unable to meet the housing needs of the urban poor.

In Thai society, housing is seen as a responsibility of the family, not the state. Thailand does not have a national housing policy that includes an explicit commitment to adequate housing for all as an important societal goal and state support for the population to secure adequate housing. In 1972, military dictator Thanom Kittikachorn nevertheless signed a decree to establish the National Housing Authority (NHA) with the task of supplying housing for the poor. According to some, this has to be seen as a measure to appease the urban poor in the light of that era's fight against communism in the region (Ockey, 2004, p.131), but the first NHA governor placed it in the context of growing global attention for urban low-income housing in the 1970s (Na Thalang, W., 2007, p.3).

The NHA initially planned to build large numbers of heavily subsidized apartment buildings, but the government quickly realized that it could not afford these plans. It instructed the NHA to reduce its targets, become self-financing by building and selling middle-income housing, and use the profits to build housing for the poor. Middle-income housing has always suited the NHA better, because it is staffed with architects and engineers who are more at ease designing and building housing than supporting the self-help efforts of the poor. In order to avoid antagonizing powerful landowners, the NHA does not use its power to expropriate land, but it cannot compete with private developers in the land market due to the elaborate procedures put in place to prevent corruption. It often ends up buying land in locations unsuitable for housing the poor. Moreover, many of the NHA apartments are captured by middle-income families.

Pressured by international donors, the NHA ventured reluctantly into sites-and-services schemes that provided self-help housing opportunities for the poor, but neither politicians nor the NHA saw these as attractive options (Giles, 2003, p.237). It also upgraded infrastructure in informal settlements, but could not regularize land tenure security due to opposition by the landowners. It could only ask them not to evict the people in improved settlements for five years. When the government shifted the responsibility for the upgrading of informal settlements to local governments and a newly established organization, the NHA became primarily a tool for politicians to launch direct-construction programs that benefited landowners, building material suppliers and construction companies (Yap, 2014, p.227-246).

In 1992, the government established the Urban Community Development Office (UCDO) within the NHA to address urban poverty, as it recognized that economic growth did not benefit the poor. Based on earlier work by NGOs, the UCDO promoted savings-and-loans groups in informal settlements and helped develop these into community-based organizations (CBOs). The government provided 50 US\$ million for an autonomous Urban Poor Development Fund that could extend loans to CBOs to acquire land, construct or improve houses and generate income and employment. As the

number of CBOs increased, the UCDO urged CBOs to form networks, so it could extend loans to a network for onward lending to member CBOs (Boonyabancha, 2003, p.v).

The 1997 Asia Financial Crisis brought the Thai economy to a halt. Evictions declined, but many urban poor lost their job and their house, as they could not repay their debts. When the government accepted the loan conditions of the International Monetary Fund, many Thais felt that they were being colonized for first time in history. The development discourse blamed economic globalization for the crisis and sought to replace “globalism” with “localism” (Hewinson, 2000, p.279-296). It urged people to rely on the family and community rather than the global economy. The king told the population to become self-sufficient and live within its means rather than borrow for meaningless consumption. However, some called these ideas as utopian, because capitalism had penetrated society too deeply to return to a self-sufficient economy, if there had ever been one (Phatharathananunth, 2014, p.25-28).

Thaksin Shinawatra, who became prime minister in 2001, also refused to retreat from globalization. He wanted to manage its forces to benefit the Thai business sector (and his private business interests) by protecting and promoting domestic capital. In addition, he extended loans to the rural and urban poor - the largest voting block - for village and small-enterprise development in order to consolidate his political power base. His most significant initiative was the introduction of universal health care, financed from general revenue. It recognized the right to medical treatment for all irrespective of income, and set the fee for all treatments at Baht 30 (US\$1.00). In 2003, Thaksin launched the One Million Houses program to solve Thailand’s urban low-income housing problems.

The program had three parts: *Baan Eua Arthorn*, aimed at building 600,000 housing units; *Baan Mankong*, aimed at improving housing for 300,000 urban poor households in informal settlements; and housing finance for 100,000 housing units. The NHA was made responsible for *Baan Eua Arthorn* which quickly proved to be a failure for the same reasons earlier direct construction programs had failed: house types and locations were unsuitable for most urban poor and the program was too costly for the government and the NHA. In cooperation with local governments, the Community Organizations Development Institute (CODI), which had succeeded the UCDO in 2000, assumed responsibility for *Baan Mankong*.

Unlike the UCDO, CODI is a public organization outside the NHA, with greater flexibility than the UCDO, because it is an independent legal entity. It is part of the Ministry of Social Development and Human Security, but its board and advisory committee include representatives from CBOs and it operates almost like an NGO. CODI’s work is shaped by the experiences of Somsook Boonyabancha who worked for many years at the NHA, but is also the Secretary-General of the Asian Coalition for Housing Rights, a regional network of housing activists. CODI’s challenge was to improve land tenure security for the urban poor.

- **Empowering for the market**

Barross distinguished three forms of land supply for housing the urban poor: customary, commercial and administrative (Baross, 1983, p. 254-280). To gain access to land for informal housing, the urban poor relied on customary and semi-commercial arrangements, but the authorities consider customary law an archaic form of land tenure, unfit for a modern city, while landowners increasingly expect market prices for

their land. It leaves the urban poor with the market (“commercial”) or the state (“administrative”) to gain access to urban land. Given the rapidly rising land values in central parts of Bangkok, only an administrative articulation seems feasible, but this would require interventions in the land market which the NHA never dared, despite the availability of vacant urban land.

Thailand is characterized by pronounced social, economic and political inequalities. In 2012, the Gini coefficient in terms of area of privately owned titled land in the BMA was 0.92 (Laovakul, 2013, p.14). Any attempt to redistribute urban land would face stiff opposition from powerful landowners. Successive governments tried to introduce a property tax bill to make it more costly to keep land unused, but such a law never even reached Parliament. Organizations of the urban and rural poor have made “class-based” demands for structural reforms to society and the economy (Ockey, 2004, p.148), but their impact has been limited.

The Four Regions Slum Network was established in 1998 as a movement of the urban poor to campaign for urban land reform and solve the problems of insecure housing (Archer, 2009, p.183). The Assembly of the Poor contested the domination of the authoritarian, bureaucratic and elitist state (Missingham, 2003, p.175). It focused on rural issues, but included urban poor, because many rural households earn a major share of their income in the city. The combination of rural origin and urban experience gave its leaders an in-depth understanding of Thailand’s broader political economy (Baker, 2000, p.11). However, there appears to be insufficient popular support for structural changes such as land reform, because they are considered either unimportant or unrealistic.

A vast majority of the population is said to be indifferent to politics. Some have attributed this to the Buddhist desire to accumulate personal merit which impedes the development of political interest and allows the elite to dominate (Wilson, 1962 quoted in Hewison, 1997, p.4). Others have argued that influential intellectuals have pushed the idea that a hierarchical social structure is good and proper because it results in order, stability and peace, while protests to demand rights for the underprivileged only create chaos⁷. Askew observed that the poor do not question capitalist property relations or confront the socio-political order, but want to improve their position within that order, a place in the city, landownership, legality and status (Askew, 2002, p.151). Moreover, conflict avoidance is a distinctively Thai way to manage differences, and the art of negotiating and striking a compromise is highly valued (Christensen and Rabibhadana, 1994).

Boonyabancha, the main architect of *Baan Mankhong* and a former director of CODI, contends: “The squatters said that they’ve lived there for a long time; they have the right to be there. At the same time state officials were also equally adamant, saying the squatters were living there illegally for many years. So everyone thought he’s right, and the other was wrong. Conflicts exist in the theoretical realm. The concept of ‘rights’ could get people to kill one another. We must transform the theoretical concept of ‘rights’ into the empirical realm that is more tangible - having an actual plan and a detail solution.” (Boonyabancha, nd)

⁷ Saichol Sattayanurak, “The Construction of Mainstream Thought on Thainess and the Truth Constructed by Thainess”, unpublished paper, translated by Sarinee Achavanuntakul, no date.

Since land has become a commodity and the provision of land for social housing by the government is more or less defunct, an alternative strategy is necessary, according to Boonyabancha. Rather than demanding land reform, people should sidestep unwinnable battles and undertake land reform in immediate, practical ways by becoming the principal actors in identifying and acquiring land for housing (Boonyacha, 2009, p. 310, 317). With this perspective, Baan Mankhong does not question the unequal distribution of land, but seeks to strengthen the negotiating power of the urban poor to buy or lease land for housing in the market.

To empower the poor, CODI assists in organizing and administering savings-and-loans groups which build people's capacity to manage their own affairs. Over time, the groups evolve into CBOs which form citywide networks to share information and experiences and support each other. They give CBO leaders a stronger bargaining position vis-à-vis the landowner when they try to buy or lease land. If they are successful, the land is usually held collectively until the people have repaid their loans, in order to shield it from market forces. If the land cannot be acquired, another site nearby is sought (Boonyacha, 2009, p. 314). CBO networks also build partnerships with local government, NGOs and academics to draft citywide low-income housing programs.

CODI seeks to convince public landowners to sign a memorandum of understanding (MoU) to serve as a framework for negotiations on specific plots of land. It signed a MoU with the Treasury Department to halve land rental rates and secure long-term leases for settlements on Treasury land in Bangkok. The MoU was later extended to the provinces where local offices now routinely grant 30-year leases and offer its unused land for the relocation of settlements that cannot remain on site. CODI also signed MoUs with the CPB and SRT for long-term leases for informal settlements on their land (Boonyacha, 2009, p. 321).

By 2011, Baan Mankhong operated in 286 cities and towns, covering 1,637 settlements with a total population of 91,805 households. It extended US\$181 million in loans for housing and gave US\$147 million in grants for infrastructure upgrading. In 61 per cent of the projects, the settlement was upgraded or reconstructed on site; in the remaining cases people relocated to a newly acquired site. In one-third of the projects, the settlers became landowners and in almost half of the projects, they obtained long-term leases. In the remaining cases, they obtained a short-term lease or only permission to stay (CODI, 2012, p.13).

- **Diversity and inclusiveness**

CODI seeks to "formalize the informal" through a commercial articulation of land supply and promotes housing options within a single settlement that satisfy the variety of housing needs of the households. It has made the "community" the key mechanism to overcome socio-economic differences and ensure that the benefits reach even the very poor. It argues that individual approaches work for the non-poor, but not for the poor whose position at the bottom of the economic ladder leaves them vulnerable. As part of a community, the poor have social capital which helps them overcome any disadvantage they face individually (CODI, nd).

However, an informal settlement is often an administrative and spatial entity with a population consisting of several groups rather than a single community in the sense of a group of people who feel that they belong together. It is often said that not all slum dwellers are poor and not all poor live in slums. In Bangkok's informal settlements, the not-so-poor, poor and very poor live together; there are land-and-house owners, land-

renting homeowners, house- and room-renters, rent-free house or room occupants and squatters.

Natakun distinguished three types of informal settlers (Natakun, 2013, p. 138-141):

- The local elite of established families with a relatively high socio-economic status, as evidenced in the quality of their houses.
- The non-elite residents - the largest group in the settlement – with a realistic ambition to own a house, given their regular income.
- Very poor residents who live in shacks and may not want to own a formal house, as the debt would be a major burden.

To solve a problem, people tend to rely on relatives and friends and on well-connected leaders (Johnson, 1978, p.184-186). If they have a common goal such as acquiring land and loans for housing, they may undertake collective action, but this may not last or extend to other problem areas. CODI must build and strengthen a sense of community which is supposed to last despite all the separating factors (Bauman, 2001, p. 3, 10). A community provides a sense of security, but its members pay a price in terms of freedom (Bauman, 2001, p. 4-5). Informal settlers cannot house themselves according to their needs and resources, but must take account of the interests of the others.

Many informal settlements occupy a small plot; if land is shared, the available area is further reduced. Many plots are too small to develop a range of housing options to meet the variety of needs. The choice is narrowed further if the land is leased and its owner demands a neat and tidy settlement and the government enforces regulations despite a waiver of parts of the building code for *Baan Mankhong* housing (Bauman, 2001, p. 302). Households must find common ground and strike compromises despite the variety in needs and resources and this becomes easier if some, particularly poorer, households leave or do not join.

To find an option acceptable for all, it is critical that all participate in decision-making, but the very poor who have most to gain from participating often do not take part in the decision-making. They have no time; they have the lowest status in meetings; they may be reluctant to speak and are less likely to be listened to. If they do not participate, the local elite will speak on their behalf (Prachakporn, 2006, p.92-93), but their specific interests may not be represented. Social pressure may force them to accept a compromise option beyond their financial means and they may become less rather than more empowered. The role of the local leaders and their sense of representation and accountability become crucial for the inclusiveness of the project.

Leaders used to be strong men, if not thugs, who protected and controlled the settlement and fixed problems through their personal relationship with the landowner, the police and the authorities (Rabibhadana, 1975, p.256-257). Some leaders were members of the local elite respected for their age, position and length of residence (Johnson, 1978, p.318), but their interests could differ significantly from those of the very poor. Socio-economic development, the information revolution and the CBO networks are changing local leadership and make leaders aware of their duties and the opportunities to advance the interests of the people they represent. Some leaders become true representatives of their constituency, but others continue to use patronage and hierarchical thinking in their relationship with the other dwellers (Askew, 2002, p.151).

The commercial articulation of land supply used in *Baan Mankhong* poses another challenge to inclusiveness. It is no coincidence that many Baan Mankhong projects are

located in smaller cities where development pressure is lower and the relationship between the landowner and the informal settlers is not fully commercialized. In Bangkok's inner city where over half a million people live in informal settlements, land values are high and landowners are unlikely to sell land at a discount. Baan Mankhong currently "picks the low-hanging fruits", but will increasingly have to take up settlements on land with high value and landowners unwilling to sell or lease their land.

If Baan Mankhong succeeds in formalizing all or most informal settlements, there will still be urban poor in need of affordable housing in suitable locations. Baan Mankhong deals with existing settlements; it does not create housing opportunities for newly formed poor households in order to forestall the formation of informal settlements. CBO networks could negotiate such pro-active low-income housing programs with local government using unused public land, but this may be feasible only in smaller cities. Besides newly formed urban poor households, such land could accommodate households who cannot stay where they are and households who need a different housing option from the one(s) developed in their current settlement.

2.5 Conclusions

For decades, the poor in Bangkok have relied on customary and semi-commercial supply of land to house themselves in what are often called “slum” and “squatter settlement.” The terms are inappropriate, because they do not reflect the ambitions of most settlers and the nature of their relationship with the landowner respectively. The propensity of Thai society to avoid conflict and confrontation, accommodate different interests without challenging the status quo, disregard and not enforce formal plans and regulations created housing opportunities for the poor outside the regulatory framework. Bangkok’s informal settlements perform the same functions as squatter settlements in many other cities. Besides offering low-cost housing opportunities, the informality allowed the poor to arrange and adapt their housing to their needs and resources.

Most informal settlements occupied otherwise unused land and landowners profited by collecting rent from the informal settlers. The urban economy benefited, because the informal sector which supplied not only housing but also other goods and services such as food and transport kept the cost of living low. It allowed employers to pay low wages and maintain Thailand’s competitiveness in the global economy. The population of informal settlements, however, faced a constant threat of eviction, hazardous living conditions and inadequate services. Given the limitations of informal housing and the urban cost of living, many migrants also had to leave their non-income earning family members in the home village or town. As the economy grew, land values increased and pressure mounted to develop undeveloped land, resulting in evictions to make way for commercial real estate development as well as extension of urban infrastructure.

Land sharing enabled the poor to capture part of the gains, but as land values further increased, developers preferred to pay compensation rather than share land. However, the compensation is usually insufficient to finance similar informal housing in a suitable location, especially when land is increasingly converted for commercial use. With urban land reform and market intervention unlikely, Baan Mankhong’s empowerment of the poor to participate in the land market is the only alternative to the informal housing delivery system, but the program lacks the flexibility and variety of informal housing options. To shield the land of the poor from market forces, it introduced a quasi-customary, collective form of land tenure, expecting the settlers to support each other as a community.

With rising land values, the purchase or lease of land will become more and more expensive. Without an informal housing delivery system for the urban poor and in the absence of an effective pro-active government housing policy and a willingness to secure urban land for housing the poor through market interventions, Bangkok runs a risk of becoming “a city without slums” in the sense of a city without housing opportunities for the urban poor and of seeing housing of the urban poor deteriorate.

Chapter 3

Evaluation of the Long Term Impact of Low Income Housing

As the government spent money to improve housing condition of the urban poor but never look it back to see what happened to them after the project completed. Monitoring is always missing in the housing policy. This chapter evaluated the long term impact of two different low income housing programs (resettlement and land sharing program) which implemented more than 20 years ago to examine what happened to the poor after the project finished.

3.1 A resettlement project in Bangkok revisited

3.1.1 Background

With the rapid economic growth during the 1980s and the need for more urban land, the government initiated the construction of new roads and bridges that opened up several superblocks for development. Two new major roads to the northeast of the city center were Rachadapisek Road and Rama IX Road. Their construction opened new land and increased land values. This convinced the State Railways of Thailand (SRT), a major public landowner, to lease the 86 rai (13.76 ha) of land along Rama IX to a Singaporean developer for the construction of a large new development of offices, hotels, department stores and houses, called Royal City Avenue (RCA). The project was estimated to cost 5,000 million Bt. or 200 million US\$ (Bangkok Post 1989).

The development affected three urban poor communities (Phang Muang, Thung Bangkokpi and Sor Pattaya) with a total population of approximately 180 households. In October 1988, the SRT and the developer offered each household in the three communities Bt. 8,500 (or US\$ 340) to leave. Some households accepted the offer and left, but most households refused and proposed land sharing (i.e. the urban poor vacate one part of the land to allow commercial development by the landowner, while they are resettled on the other part and become formal owners or lessees of the land). This idea was rejected by the SRT and the developer. Four months later, the SRT and the developer increased the compensation to Bt. 10,000 (US\$ 400) plus a strip of land of 20 meters wide and as long as would be needed along the railway line eight kilometers from the old site. This offer was rejected by the communities, because the SRT could provide security of land tenure for only 15 years, as the land was part of the rail reserve. The site was also far from the employment opportunities and had no infrastructure.

The communities asked for Bt. 40,000 in compensation. While the negotiations went on, a community leader betrayed the households in his community by accepting a bribe from the developer and persuading several households to accept Bt 10,000 as compensation and leave. Where they went is not clear, but it was being said that some lived under a bridge nearby, while others squatted at a new place. The remaining households continued to resist eviction and ask for compensation. Through a network of urban poor communities, community leaders found land in the periphery of Bangkok next to a group of households resettled from a site near Rama IX Road. As the latter had called their resettlement site Suwan Prasit, the new site was called Suwan Prasit 2. The land was affordable for those who were evicted because the site was far away from the city center and had no public access, being part of another superblock.

The remaining households agreed to accept a compensation of Bt. 18,000 (US\$ 720) per household from the SRT and developer and to use it as down payment for the purchase

of the land. They requested the NHA to buy and subdivide the land, to use a government allocation for the resettlement of evicted families to develop basic infrastructure, and to provide loans to the households to purchase a plot. As some 100 households had remained at Rama IX Road by that time, the NHA divided the land into 100 plots of 80 m² and set aside 400 m² for community facilities. The NHA provided the loans for the land purchase at an interest rate of 8 % which was lower than commercial rate, with a repayment period of seven years. The land titles remained with the NHA until the residents had completed their repayment.

Although the NHA spent a considerable amount of money on the resettlement, it never revisited the project. Once the evicted urban poor had been resettled, loan recovery was the NHA's only concern. The objective of this study was to evaluate the resettlement project by revisiting Suwan Prasit 2 twenty years later. The study asked the questions: Who stayed and who left? Who benefitted and who lost? It looked at the population dynamics and the physical improvements in the settlement. It raised the question whether the NHA could have done better by continuing its involvement with the people in the settlement and assisting them in the development of their physical, social and economic conditions.

A small survey conducted in Suwan Prasit 2 in 1990 (Yap, 1992) and the records of the NHA provided the baseline data. The follow-up study was conducted in 2011-2012, and used both quantitative and qualitative research methods. For the follow-up study, 80 heads of households were interviewed using structured questionnaires. The surveyors interviewed, where possible, not only house owners but also renters and squatters. After the survey, the authors conducted face-to-face interviews with some key informants, selected households, community leaders and NHA staff to obtain in-depth information. The values of the houses were evaluated by an independent appraiser. It was, in most cases, impossible to interview households which had left or who had never come to Suwan Prasit 2. Most of this information came from secondary sources, i.e. relatives, neighbors, community leaders and NHA staff.

3.1.2 Suwan Prasit 2 in 1990

The NHA subdivided the land into 100 plots to accommodate the 100 households which still lived in Rama IX Road at that time. However, the 1990 survey found that only 44 households from Rama IX Road had claimed a plot and only 35 households from Rama IX Road had actually settled at Suwan Prasit 2 in May 1989. Because there were more plots than claimants, households from Rama IX Road added the names of households which had not lived at Rama IX Road. A former community leader recounted:

"I put the name of my brother who never stayed in Rama IX to obtain a plot in Suwan Prasit 2 because I thought that was a good opportunity to stay close to him. After 2-3 years of resettlement, I sold the plot to earn some money, because he never came to settle here".

Because more than half of the plots were not claimed by households from Rama IX Road, the NHA decide to resettle evicted households from two other urban poor communities (Wattanawong and Sukchai) in Suwan Prasit 2. The Wattanawong households had been evicted from land in the city center and had received a compensation of Bt. 25,000. The Sukchai households had been evicted from land near Rama IX Road, with compensations ranging from Bt. 3,000 to 4,000. When only 28 of the more than 100 households from Wattanawong and Sukchai claimed a plot in Suwan Prasit 2, the NHA allocated the remaining plots to evicted households from other

locations. When there were still four plots left, these were sold to people who had not been evicted (table 3.1). A staff member of NHA explained:

“Afterward, there were still some plots left, because the place was isolated and far from the city center and it was also far from the old neighborhoods. The poor could not find a job nearby, thus some of them did not want to come. Therefore, we allocated the land to other evicted households, but there were still some plots left, so we gave them to any poor who faced a housing problem. Although the main responsibility of the NHA is to assist the poor who face a housing problem, the NHA also needs money to pay for its operations. So, if there were some plot left, we could sell to anybody who came to the NHA.”

The NHA allocated the plots in clusters according to the original settlements. Households drew lots to acquire a plot in each cluster, but they could exchange their plot with other households in the settlement. Because Suwan Prasit 2 was a formal housing project, the resettled households needed a building permit and until these had been issued, they could not build a house or connect to the water supply network. The NHA submitted standard house designs with the application for a building permit, although it was clear that each household would build whatever it wanted. It took almost one year before the building permits were issued and house construction could start. During that year the households stayed in a temporary shack on the road. In the absence of basic infrastructure, the community made informal arrangements for water and electricity from the formal houses nearby. After the housing permits had been issued, infrastructure was installed and the households built and registered their houses. The 1990 survey found that only 63 plots of the 100 plots were occupied at that time.

Table 3.1: Plot allocation and plot occupation in 1990

Origin	Community	Original number of households	Plots allocation by NHA	Plots occupied in 1990
Rama IX	Phang Muang	29	8	7
	Thung Bangkapi	46	16	11
	Sor Pattaya	105	20	17
Elsewhere	Wattanawong	32	10	7
	Sukchai	69	18	15
	Other settlements	-	24	2
Not evicted, not urban poor		-	4	4
Total		281	100	63

Source : Yap, 1992

3.1.3 Revisiting Suwan Prasit 2 in 2011

The author revisited Suwan Prasit 2 in 2011-2012, more than 20 years after the initial resettlement. Because the layout of Suwan Prasit 2 is very regular, it was not difficult to identify the original 100 plots, but the look of the settlement had changed significantly. Between 1990 and 2011, Suwan Prasit 2 developed from a group of temporary shacks on partially flooded land into an established neighborhood with a lower-middle-income feel (fig 3.1 and 3.2). Some households had been able to obtain more than one plot, either during the resettlement or by purchasing a neighboring plot from a household that had decided to leave. As a result, some houses had been built on two or even three plots. Nine plots were still vacant and three houses were locked. Suwan Prasit 2 also had six squatter houses, one of which was locked (table 3.2).



Fig. 3.1: Suwan Prasit 2 in 1990, shortly after the resettlement



Fig. 3.2: Suwan Prasit 2 in 2011

Table 3.2: Number of plots and structures in Suwan Prasit 2 in 2011

Plot development	Number of plots	Number of structures
House on half a plot	1	2
House on one plot	62	62
House on two plots	16	8
House on three plots	3	1
Locked house	3	3
Apartment building on one plot	3	3
Apartment building on three plots	3	1
Vacant plot	9	-
Squatter house	6	6
Total	106	86

Source: author, 2011

Many houses had been constructed using permanent materials, but there were also simple one-storied houses built from second-hand wood or asbestos. A small majority of the houses (53.3 %) had been built in concrete; 22.1 % had been built using both wood and concrete; 18.6 % were made of wood and 5.8 % had a mixture of building materials. Almost all houses (93 %) were detached houses, but one plot has been subdivided for two semi-detached houses. Some of the large houses had been divided into apartments for rent. Most houses (69.8 %) had two storeys; the remaining houses have only one storey. The average floor area of the house was 97.6 m², with a maximum floor area of 190 m² and a minimum floor area of 9 m², a squatter house. Every house had electricity and water supply, even the squatter houses, although the latter took water and electricity by connecting to a neighboring house.

Table 3.3: Tenure status and housing quality

Land tenure	House quality							
	Good		Moderate		Poor		Total	
	N	%	N	%	N	%	N	%
Owner	10	16.1	24	38.7	28	45.2	62	100.0
Renter/lessee	1	10.0	5	50.0	4	40.0	10	100.0
Squatter	-	-	-	-	5	100.0	5	100.0
Sub-total	11	14.3	29	37.7	37	48.1	77	100.0
Unknown							9	
Total							86	

Source: author, 2011

Most of the houses were owner-occupied, but a few households rented their house and there were also some squatters. Thus, tenure security has strong for almost all of the settlers. Comparing pictures from the settlements along Rama IX Road and the pictures of Suwan Prasit 2 in 2011 show that the housing conditions in Suwan Prasit 2 are much better than the housing conditions the original settlers left behind in 1989, although around 45 per cent of the houses could still be considered “poor” (table 3.3). On the basis of the physical appearance one could therefore conclude that the resettlement project has been a clear success. However, comparing housing conditions is not sufficient to determine the success of a project, it is important to determine who benefitted and who did not.

In order to try to assess the outcome of the resettlement, the study distinguished six categories of households: three categories of original households (those who never came; those who came but sold or lost their plot; those who came, but faced difficulties to build a house), and three categories of newcomers who arrived in Suwan Prasit 2 in 1995 and later (owners, renters and squatters).

a) The households in Sawan Prasit 2

The original households

- ***Those who never came to Suwan Prasit 2***

The three urban poor communities along Rama IX Road had approximately 180 households, but only 44 plots households said that they wanted to move from Rama IX Road to Suwan Prasit 2 and not all of these households had actually occupied their plot by 1990. So, around 135 households left before the NHA allocated the plots in Suwan Prasit 2 or told the NHA that they did not want a plot in Suwan Prasit 2. Some households left Rama IX Road early without any compensation or with a small compensation from the landowner and the developer. Other households were entitled to a plot in Suwan Prasit 2, but declined the offer from the NHA. There were also households which initially claimed a plot, but later decided not to take possession. Finally, some households took possession, but never occupied their plot. An NHA staff member told:

“I still remember there were two households who were evicted. Both of them really wanted to occupy the plot, but after one month they came to me and said that they could not live in Suwan Prasit 2, because the place was too far from their work place. Both of them worked during the night”

There is not much information about the people who did not claim a plot or who claimed a plot, but never came to occupy the plot. Some information could be obtained from an ex-community leader, other households and from newcomers who bought their plots. The main reasons mentioned for not joining the resettlement were: (a) an overwhelming need for cash money to pay for living expenditures or repay a debt; (b) the remoteness of Suwan Prasit 2 from centers of income generation and employment; (c) awareness of their inability to repay the loan from the NHA for the purchase of the plot; and (d) a preference to rent rather than buy accommodation. Their absence from Suwan Prasit 2 does not mean that their housing conditions deteriorated; they might have found alternative formal or informal accommodation in Bangkok or returned to their hometown.

Some who were allocated a plot by the NHA, but for one reason or another did not want to live in Suwan Prasit 2, returned the plot to the NHA which allocated it to another household. Others sold their plot on the open market. There were also some households

which did not move to Suwan Prasit 2 and did not return their plot or sold it, but rented out it, and lived elsewhere.

Respondent A: *“The NHA set aside 400 m² for community facilities, but the land was not enough. Therefore, two brothers rented two plots to an NGO that runs a child center in Suwan Prasit 2. The owner of one of the plot is now planning to terminate the rent and take back the plot and to build his own house.”*

- ***Some came to Suwan Prasit 2, but lost or sold the plot.***

Some households came to Suwan Prasit 2, but later left. It is difficult to determine the reason or reasons why they left, because those who left could not be interviewed. The authors obtained some information from other residents of Suwan Prasit 2, but the information is only hearsay, and the decision to leave is most likely a complex one. Nevertheless, some reasons emerged from discussions with other residents in Suwan Prasit 2: (a) the inability to repay the loan to NHA for the purchase of the plot, (b) the urgent need for money, (c) a wish to return to the province of origin and (d) the inability to repay a debt leading to the loss of the property.

Respondent B:

“I lived in Saphan Kwai, but the landowner wanted the land back and burned my house down. The NHA assisted me to acquire a plot in Suwan Prasit 2, but I could not repay the plot. I asked my sister to repay the loan to the NHA using my name. She gave me some money to build this [squatter] house. She continued to pay until she had repaid the entire loan. Now, the plot belongs to her daughter who bought two more plots nearby.”

Respondent C:

“The original plot owner came from Rama IX. He built a shack and stayed in Suwan Prasit 2 for 2-3 years. After that, he sold this plot because he needed the money for his family. Finally he left for his hometown and started his business.”

Respondent D:

“I came to here with my mother and my brother when I was still young. Both of them received a plot. After my mother died, her plot was transferred to me. My brother sold his plot and left to his wife’s hometown to start a business.”

Respondent E:

“My sister and I were evicted from Sukchai. Because each of us was married and had a family, we had the right to two plots. We both finished repaying our loan to the NHA. Then, my sister decided to sell her plot, because she wanted to move back to our hometown. Using the money from the sale of her plot, she went back to our hometown to start her own business.”

Respondent F:

“I bought this plot when the owner wanted to move back to his hometown. He told me that if he could sell his plot, he would build a new house in his hometown where building a house is much cheaper and the house is of better quality compared with the house that he can build here.”

A formal land title is often seen as a critical asset for the urban poor to escape poverty, while informal property keeps the owner in poverty. In his book “The Mystery of Capital”, de Soto (2000: 5) argued that “[b]ecause the rights to these possessions are not adequately documented, these assets cannot readily be turned into capital, cannot be traded outside of narrow local circles where people know and trust each other, cannot be used as collateral for a loan, and cannot be used as a share against an investment.” In de Soto’s view, the urban poor can use land titles as collateral to borrow money to start a business. In Suwan Prasit 2, most residents had a land title, but those who used their property as collateral for a business loan took a major risk.

Ten households used their land title as collateral, but were unable to repay their loan and consequently lost their land. Out of those ten households, six households are known to have become house renters (three in Suwan Prasit 2, one in Suwan Prasit 3 and two in a nearby province), while four households left Suwan Prasit 2 and their situation is unknown.

Respondent A:

“I bought this plot from the original owner who came from Sukchai. She used the land as collateral to borrow the money from a bank, but she could not repay the loan. So she came to me and asked me to repay before she lost the plot. Now this plot belongs to me and she left for her hometown.”

Respondent G:

“We were twice evicted before we came to Suwan Prasit 2. We acquired the right to buy a plot of land from the NHA. We were very happy, because we knew that we would not be evicted again. I worked very hard to repay the loan and acquire the land because I knew how important this is. I finished repayment and the land belonged to me, but my son wanted the land title to borrow money from the bank. Unfortunately, he could not repay the bank. Now I am a renter and do not know how to get the plot back, because I am too old.”

Respondent H:

“I repaid the loan to the NHA and the land belonged to me. However, my son went to jail because the police found drugs on him. I wanted to help my son, so I used my plot to borrow money. The bank took a long time to review my application. I could not wait, because I needed the money urgently. So, I borrowed money from a moneylender who charged me 10 per cent interest per month. I knew that it was much higher than what the bank charged, but I had no choice. I borrowed the money, but I could not pay it back. So, I sold my house and plot, and rented a room in Suwan Prasit 3. Now I am working as a guard for the new housing project nearby”

Respondent E:

“My sister and I both finished repaying our loan to the NHA. Then, my brother wanted to buy a van to start a business. He used my land title as collateral, but the public van business was not successful, unfortunately. He could not repay the loan to the bank, so I lost my title and became a renter. I stayed here for another two years. Then, I found a job in Nonthaburi, and I moved there.”

- ***Some came to Suwan Prasit 2, but faced problems building a good house***

Once an urban poor household has security of land tenure, it should start investing in its house, but this was more difficult than it expected. Some households were unable to obtain a loan; others could not borrow from a bank, but only from friends or relatives; some found out that a land title was not enough and that they needed a guarantor as well.

Respondent I:

“My husband and I have a land title, but the bank did not accept our loan application. It said that we did not have stable income. So, we asked our children who work as government officers to be our guarantors. In this way, we obtained a mortgage loan from a bank to improve our house.”

Respondent J:

“Our house was leaking, especially during the rainy season, so we wanted to borrow money from a bank to improve it, but the bank did not accept our title deed as collateral, because we did not have a stable job. The bank said that we did not meet the bank’s criteria. Even the Government Housing Bank which extends loans to help people like us to have a house or improve a house, could not help us, as it uses the same criteria as other commercial banks”

The newcomers

The study identified three types of newcomers: (a) those that bought a plot with or without a house; (b) those that rented a house; and (c) those that squatted in Suwan Prasit 2.

- ***Owners***

Many newcomers came to Suwan Prasit 2 because they had friends or relatives in the settlement who informed them about an opportunity to buy a plot of land, with or without a house. Some came from elsewhere in Bangkok; others came from the province. Some of them were not real newcomers since they had lived in Suwan Prasit 2 before.

Respondent K:

“I came to Suwan Prasit 20 years ago with my sister who lived here. When I got married, my sister’s house became too small to accommodate me and my family. So, I moved away to Huay Khwang. Later, I heard from my sister that the owner of this plot was selling the land and house because he wanted to move back to his hometown. At that time he asked for very high price, so I could not buy it. I waited until he lowered the price because no one was interested. I bought this plot and I moved here three years ago.”

Respondent L:

“I came to this community because my brother stayed here. Many households that wanted to sell their plot informed the community leader and he always arranged a good deal. He told me that a plot owner had used her plot as collateral, and could not repay the bank. I decided to sell the paddy field in my hometown and repay the loan for the original plot owner. By now, I own three plots and I sublet the upper floor of my house.”

Respondent M:

“Seven years ago, I was evicted from Sukhumvit 101/1. I came to the NHA and the NHA offered me this plot. I decided to take it. I have to pay Bt. 2,000 per month for a period of 7 years. I am still leasing the plot from the NHA, because I have not finished the repayment of my loan.”

- ***Renters***

As some house owners have space to spare, they rent out accommodation to other households as a form of income generation.

Respondent N:

“My family and I used to stay on land nearby; in total, there were 22 families in our community. The community had an agreement with the landowner to buy the land within three years at a price of Baht 3 million. However, we could pay only Baht 2 million and the contract was terminated. After two months, the landowner sold the land to a developer and did not return the money to us. Later, the landowner paid a compensation of Baht 10,000 to each household. We had to move and I rented a house in Suwan Prasit 2. Now, I do not trust anyone; even if we give them some money, they still can take the land away from us.”

- ***Squatters***

Some squatters are not real newcomers. They lived on Rama IX Road, in Wattanawong or Sukchai, but they were not entitled to a plot. They came with the other original settlers, but had to rent their house.

Respondent O:

“During the time of the eviction from Rama IX, my husband accepted the compensation of Baht 5,000 rather a plot in Suwan Prasit 2. I took the money from him and tried to return it to the NHA and asked for a plot, but the NHA refused. First, we moved to the Asoke intersection. After my husband died, my children and I came to Suwan Prasit 2 because my mother and my brother lived here. I am now squatting.”

3.1.3 Success or failure

When the NHA assisted in the resettlement of evicted households from Rama IX Road, Wattanawong, Sukchai and several other informal settlements, it assumed that (a) the resettlement project would benefit all or at least most evicted households, (b) that the affected households would be able to buy their plot using a loan from the NHA and to repay the loan in seven years, and (c) that the households would use their land title to obtain a loan from a bank to build and improve their house. The NHA also envisaged that some households would leave the settlement and that they would be replaced by newcomers with about the same income as those who left. One of the NHA's staff members told the authors:

“This project dealt with urban poor who were evicted from their original housing. The NHA had to move the poor from the site of the eviction. Its intention was to give security of land tenure to the poor who could not afford to acquire housing in the formal market. We hoped that once they had a land title, they would gradually improve their standards of living from their previous slum life, that they would move up from low-income household to

middle-income household, that they would eventually move to better houses and have better living conditions so that other urban poor could occupy their houses. It is like a ladder.”

The data from the two surveys and the stories obtained from households currently living in Suwan Prasit 2 show that a large majority of the evicted households never came to Suwan Prasit, although there were plots for them, and that some households that came were forced to leave after some time. If all the households that left Suwan Prasit 2 without leaving any information behind had positive motives to leave, there is still a number of households that were forced to leave for financial and economic reasons.

In 2011, only 37 original households remained. In 32 cases, the same household still owned the property; in 5 cases, the current household had inherited the property. A total of 57 plots changed hands. In 47 cases, the original allottees sold their plot directly to an outsider; 10 plot owners used their property as collateral for a mortgage, but could not repay to the lender and lost their plot. The ownership status of six plots is unknown, because the allottees never came to occupy their plots.

Table 3.4: Ownership changes between 1990 and 2011

Origin	Plot allocation by NHA	Current plot ownership
Rama IX Road	44	27
Wattanawong and Sukchai	28	5
Other evicted urban poor	24	1
Not evicted, not urban poor	4	4
Subtotal original settlers	100	37
Plots sold directly to outsiders	-	47
Plots repossessed (and sold)	-	10
Subtotal plots sold	-	57
Unknown ownership	-	6
Squatters	-	6
Subtotal others	-	12
Total	100	106

Source: author, 2011

The former Governor of the National Housing Authority who was in charge of the Authority at the time of the resettlement is not dissatisfied with the outcome of the project:

“The main responsibility of the NHA is to help the poor who face a housing problem. The NHA wanted to help the poor gain security of land tenure and hoped that the poor who were evicted would benefit from the subsidy of the government. Now, we see that about 30 per cent of the poor families still remain and benefit from the project 20 years after its start. In my opinion, it is a good result. At least, the NHA has been able to help some of the poor who suffered from insecure land tenure. The NHA knew that some of the poor would not be able to repay the NHA. The NHA was also aware that it could not totally control the situation. The NHA is only one small part of the housing delivery system in Bangkok, so the NHA cannot do much.”

a) Improving housing conditions

The NHA provided subsidized loans for the purchase of the plots and it constructed basic infrastructure such as roads, water supply, electricity and street lighting, using government subsidies meant to improve the housing conditions of the urban poor. It left house construction and improvement to the households with the assumption that security of land tenure would be an incentive to invest in house improvements and that the land title would be used as collateral. Because the loans and the infrastructure were subsidized, there was an implicit assumption that the project should benefit primarily the urban poor. To what extent proved these assumptions to be correct?

A majority of the remaining original households (58.6 %) earned less than Bt. 15,000 (US\$ 500) per month, while a majority of the newcomers (63.5 %) earned more than Bt. 15,000 (US\$ 500) per month. The average monthly household income was Bt. 13,241 (US\$ 441) for the remaining original households and Bt. 28,314 (US\$ 944) for the newcomers. The median monthly household income was Bt. 10,500 (US\$ 350) for the remaining original households and Bt. 20,000 (US\$ 667) for newcomers. In other words, newcomers tended to have a higher income than the remaining original households. What was missing was information about the income of the households which never came and about the income of the households that left.

Table 3.5: Household income of original households and newcomers

	Household income (US\$/month)						
	<Bt. 15,000 (US\$500)		Bt. 15,000-45,000 (US\$500-1,499)		>Bt. 45,000 (US\$1,500)		Total
Originals	17	58.6	12	41.4	0	0.0	29
Newcomers	15	36.6	17	41.5	9	22.0	41
Sub-total	32	45.7	29	41.4	9	12.9	70
Missing							14
Total							84

Source: author, 2011

An official real estate valuator assessed the value of the houses in Suwan Prasit 2. Although all the remaining original households had a land title, the quality of their houses was poor (assessed value of less than US\$20,000) in a majority of the cases (60.6 %). After more than twenty years, these households had not been able to improve their house to a moderate or good level. The situation was quite different for the newcomers. Slightly more than half of all the newcomers (52.6 %) had a house of moderate quality (value between US\$ 20,000 and 40,000) and another 15.8 per cent had a good-quality house (value of more than US\$ 40,000).

Table 3.6: Value of houses of land-owning original households and newcomers

	House value (US\$)							
	<20,000		20,000-39,999		40,000+		Total	
	N	%	N	%	N	%	N	%
Originals	19	61.3	6	19.3	6	19.3	31	100.0
Newcomers	10	31.2	17	53.1	5	15.6	32	100.0
Sub-total	29	46.0	23	36.5	11	17.5	63	100.0
Missing							21	
Total							84	

Source: author, 2011

In Thai society, children try to live with or at least near their parents to look after and care for their parents during their old age. So, many remaining original households and also some newcomers encouraged their relatives to buy a plot with or without a house in Suwan Prasit 2 to live near each other. There were four original households with a daughter who bought a plot in Suwan Prasit 2; newcomers also one or more relative living on separate plot in Suwan Prasit 2. So, part of the movement of households to Suwan Prasit 2 may be explained by a desire to live near relatives. Because the value of the land in Suwan Prasit 2 increased between 1990 and 2011, only those relatives who had a higher income may have been able to buy property in Suwan Prasit 2.

Respondent P:

“I came from Sor Pattaya to Suwan Prasit 2 with my mother when I was very young. Later, I married a German man who gave me money to buy a house in Bangkok. I bought this plot when the owner could not repay the bank. I repaid the bank for her and became the owner of the plot. If I compare the price of land in Suwan Prasit 2 with that of the land nearby, I think it was much cheaper. After I purchased an extra plot of land, I still had some money from my husband left to give to the owner.”

Land prices in Suwan Prasit 2 are likely to increase further, as the area around the settlement develops. In 1990, there was no public access road to the settlement; the Suwan Prasit residents had to cross the land of other people to reach their neighbourhood. A few years ago, the government constructed a major six-lane road passing near Suwan Prasit 2 and two middle-income housing projects have also developed nearby. A former community leader said that the price of his plot of land had increased drastically, from 70,000 Bt. in 1990 to 500,000 Bt. today. Although the presence of relatives may be an incentive to stay, the increasing land values may tempt remaining poor residents to sell, as the urban poor remain vulnerable to, what Durand-Lasserve (2001) called, “market eviction”.

b) Protection against market eviction

Ten years after the evicted households were resettled in Suwan Prasit 2, the Thai government launched the new low-income housing program called “Baan Mankhong”. It is implemented by a public organization, the Community Organization Development Institute (CODI) and uses a community participation and empowerment approach. *The objective of Baan Mankhong was to improve tenure security, housing and livelihood for 300,000 households in 2,000 poor communities in 200 cities in Thailand.* As part of the program, CODI encourages the urban poor to organize into saving-and-loan groups and to develop the group into a community-based organization. To support each other, community-based organizations develop citywide networks, which in turn create partnerships with local government, civil society groups and academics to find citywide solutions for the housing problems of the urban poor (Boonyabancha, 2005).

A community will negotiate with their landowner to gain security of land tenure by trying to buy the land or part of it. If this is not possible, a community will try to sign a long-term or short-term lease, or buy or lease land nearby, using loans from CODI. Once land tenure is secure, the community will improve or rebuild the houses and install infrastructure with the support from CODI. The land in Baan Mankhong projects is collectively owned or leased by the community; it does not belong to the individual households. If a household wants to leave and sell its house, it has to sell it back to community. It cannot sell it on the open market. Collective ownership ends when all loans have been paid back, i.e. after 15 years.

Because of the emphasis which the Baan Mankhong program places on community-based action and collective ownership, even the poorer households who cannot afford to participate in the community can benefit from the project. They do not have to leave, because the project is the responsibility of the entire community, not of individual households. It is also more difficult for outsiders to buy a plot in the settlement, because land is owned or leased collectively. This approach has the advantage of assisting the households repay their loan, improve their housing and enjoy security of land tenure.

If the approach had been applied in Suwan Prasit 2, more evicted households might have been able to obtain land and more households might have remained in Suwan Prasit 2. The expectation that a land title would be sufficient for an urban poor household obtain a loan to improve their conditions proved to be incorrect in Suwan Prasit 2. Many households had a land title but could not borrow the money to improve their house, because they did not have a stable income. As member of a saving-and-loan group and community-based organization with collective ownership, a household would probably have been in a better position to borrow and repay a loan.

The approach has also some limitations. If land is owned collectively, the households in a Baan Mankhong project are not sure that they can sell their property at its market value. This might discourage them to invest in house improvement. The program may also include urban poor households in the project, who cannot really afford it or prefer to continue renting. They may fall into heavy debt and become dependent on community leaders and better-off households to keep their house. In Suwan Prasit 2, some of the households which left may have had good reasons to sell their plot after some time and a sale at a good (market) price may have enabled them to buy a better house elsewhere or to start a business.

A resettlement project like Suwan Prasit 2 that is subsidized by the government also raises the question whether such a settlement should remain a settlement for the urban poor. When a settlement consolidates, land values rise, while many of the households may also improve their economic conditions. These (originally low-income) households may want to sell the houses and plots, when they feel that their higher income allows them to buy better housing elsewhere. Should they be constrained in their efforts to sell their property at the best price possible or should the settlement be allowed to develop into a lower-middle- or even middle-income settlement with higher land values and higher-income households.

3.1.4 Conclusions

Because of the many good houses in Suwan Prasit 2, the settlement compares positively with the settlements from where the original families came. However, the fact that the houses are in good conditions does not necessarily mean that the original households have benefitted. Many original households left the informal settlement before a solution to the eviction was found; many other original households preferred or were forced to take the compensation rather than to move to Suwan Prasit 2. Still, other original households came to Suwan Prasit 2, but did not stay. Some may have left, because they found better housing elsewhere, but others were forced out, because of financial difficulties.

The findings of the study show that households in a small settlement like the one on Rama IX Road have a variety of housing needs and that a single option (homeownership in a resettlement site) cannot meet this variety of needs. The findings also show the difficulty urban poor households face once they have acquired a land title. They may find that the resettlement site is too far from places of income generation; they may not

be able to repay their loan; or they may lose their title due to unsuccessful investments in a business. Some of these problems could have been avoided by the approach applied in the Baan Mankhong program. More evicted households might have moved to Suwan Prasit 2.

With support from a community-based organization, some households might have been able to borrow money from the saving-and-loan group or from the Baan Mankhong program at the reasonable interest rate and the community-based organization might have helped them when they faced financial difficulties. Collective land ownership provides protection against market eviction, but it also discourages investment in the house, because it is not fully owned. It might also put some very poor households in heavy debt and make them dependent on the community and its leaders.

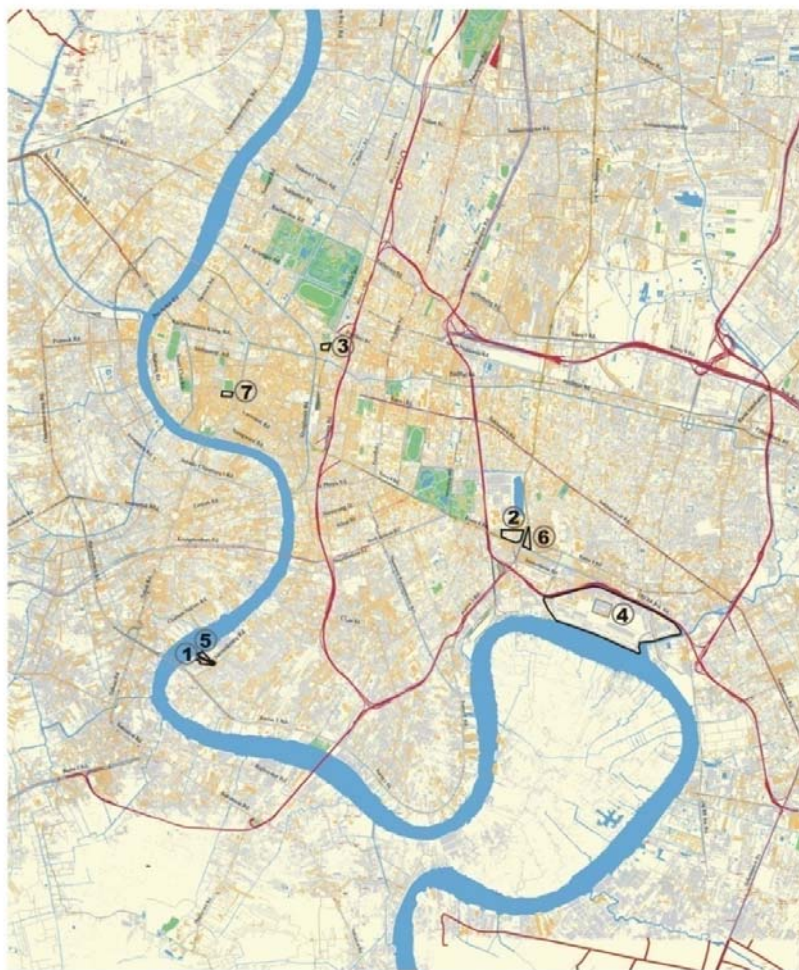
3.2 A land sharing project in Bangkok revisited

The technique of land sharing originated in Bangkok, Thailand during the 1970s and 1980s as an innovative way to resolve land conflicts between legal landowners and informal settlers or “squatters”. The approach involves the partitioning of a parcel of contested land so that both parties are accommodated. Through a land sharing agreement, the landowner regains access to a larger portion of the original parcel, free of squatters, so that he or she can develop the land. At the same time the informal settlers can stay on or near their present site, on another portion of the land, under improved conditions involving legal tenure and (in most cases) newly built housing.

“Sengki” is considered by many to be one of the most important and successful cases of land sharing in Bangkok’s early history. It is also one of the better-documented cases: the National Housing Authority of Thailand (NHA), Thai housing advocates, UN-Habitat (then UNCHS), UNDP and the Netherlands Habitat Committee followed the negotiation process over many years and lauded its success. In 1991 the Under-Secretary General of UNCHS even awarded the NHA with a Habitat Scroll of Honor for its role in Sengki, *“in recognition of developing innovative land tenure systems and financial mechanisms to facilitate adequate shelter for low-income groups.”*

Almost twenty-five years later, there is a resurgence of interest in the Bangkok land sharing and wider slum upgrading experience, with housing scholars and activists re-examining which instruments have the potential to be “scaled up” as mechanisms to resolve the ongoing land conflicts in Asian cities (see among others Boonyabancha 2009, Archer 2012, Yap 2014, and Rabé 2010 and 2014). In this context, the experience of Sengki is once again attracting much attention. This article explores whether – approximately 25 years later – the Sengki land sharing agreement has indeed represented an “adequate shelter” solution for low-income households. Specifically, the authors investigate two questions: Have the financial and land tenure mechanisms in the Sengki land sharing agreement proved sustainable; and what has happened to the original residents of the Sengki informal settlement?

Between the late-1970s and late-1990s, seven land sharing (see Fig. 3.3) agreements were negotiated across Bangkok, in a range of different settlements, six of which were located on public land. The outcomes varied greatly from case to case, depending on the size of the community, the configuration of the land parcels in question, the urgency of the development pressure in each case, and the public institutions and private individuals involved. Table 3.7 summarizes the main results of the seven land sharing agreements during this time.



LAND SHARING SITES

- | | |
|--------------------------------|--------------------|
| 1. Wat Ladbuakaw | 5. Sengki |
| 2. Rama IV | 6. Klong Paisingto |
| 3. Manangkasila | 7. Sam Yod |
| 4. Klong Toey (70 Rai Project) | |

Fig. 3.3 : Land sharing projects in Bangkok during 1970s- 1980s
 Source: K. Leeruttanawisut and P. Rabé, 2002-3.

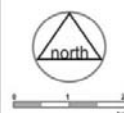


Table 3.7: Land sharing projects in Bangkok during 1970s-1980s

Name	NO of HH before LS	Plot size (rai)	Land owner	Negotiation period	Outcome	Involving organization	Ratio of land	No of HH after LS
Rama-IV	1900	53	CPB	1977-1981	Eight-story buildings (20-year leasehold)	NGOs & Thai Army & NHA	35.0%	914
Wat Lad Bua Kaw	300	10	private	1978-1983	Self-help housing (freehold)	NHA & Thai Army	20.0%	63
Manangkasila	>400	10	Treasury Department	1979-1982	Row-houses (leasehold)	NHA & credit union cooperative	42.5%	197
Klong Toey 70-Rai	2500	70	PAT	1982-1985	Self-help housing, flats (leasehold)	NHA & NGOs	NA	NA
Sengki	216*	15.7	KPB	1982-1992	Shop house & self help housing (freehold)	NHA	53.3%	141
Sam Yod	300	7.5	CPB	1982-present	10-floor flats (leasehold)	NHA & NGOs	18.0%	34 families
Pai singto	347	NA	CPB	1989-1997 (relocated)	26-floor apartment & 7-floor commercial building (30 years leasehold)	-	NA	347

Source: K. Leeruttanawisut and P. Rabé, 2002-3.

Remark : 1 Rai = 0.16 ha

3.2.1 A brief history of Sengki settlement

Sengki was originally a poor settlement of over 200 households, established in the late-19th century in Soi Chareankrung 78⁸ on the both sides of land between the Chao Praya River and Chareankrung Road, one of the oldest roads in Bangkok (Figure 3.4). Before the construction of the Krungthep Bridge, the area used to be a landing stage for the ferry at the end of the Soi. The households in Sengki were composed of Chinese families who worked as laborers in the rice mill in the settlement and the Thai families who worked in the surrounding orchards. The name “Sengki” came from the rice mill.

Up until the early 1930s, the land that the Sengki households occupied belonged to close relatives of His Majesty the King of Thailand. The residents in Sengki rented the land from the Royal Property Bureau (now the Crown’s Property Bureau, CPB), while the King’s Property Bureau (KPB) was responsible for the administration and management of the plot. The total land area encompassed 25,080 square meters, and the households in Sengki occupied almost half of the land (11,012 square meters), while the rest was rented by the Thai Danu Bank for its warehouse (10,376 square meters) and by the owner of the sawmill (3,692 square meters) (Yap and Angel 1992, p.49).

⁸ Soi means a narrow strip of land, or lane, in Thai.

The rental rate in Sengki varied from Bt. 0.75 (US\$0.03) per square meter per month for the land along the main road to Bt. 0.50 (US\$ 0.02) per square meters per month for the land inside the Soi. After the abolition of the absolute monarchy in 1932, the land was officially transferred to the King's Property Bureau (KPB). However, the rental rate was never changed.



a) Factors leading up to land sharing

On 16 April 1978, a fire started in Wat Ladbuakaw, an adjacent low-income community to the Sengki project site and one of seven Bangkok land sharing settlements. The fire destroyed 80 % of the community, including the sawmill next to the warehouse, and only the front part of the community remained. It was never clear whether the fire was caused by natural circumstances or an arson intended to remove the informal settlers by force.

In any case, the consequence of the fire was that the lease contracts of the Sengki residents were terminated, except for those houses located outside the destroyed area. However, all residents returned to the settlement, and the community expanded in a haphazard fashion when new squatters came to the area. Land tenure became more complicated with the arrival of the newcomers. Conditions deteriorated because of the absence of land tenure, and the newcomers invested only marginally in their homes. At the same time, land values increased rapidly in the surrounding area, and the KPB began considering redevelopment. Community leaders wrote a letter to the Mother and Sister of the King and submitted numerous petitions to the Royal Family to request the right to stay, but to no avail (Community leader, 2014).

In 1982 the nearby community, Wat Ladbuakaw, succeeded in avoiding eviction through the land sharing agreement with its landowner after mediation by the NHA. The event influenced the households in Sengki, and they therefore requested a similar strategy. The Center for Housing and Human Settlement Studies (CHHSS) of the NHA conducted a study on the feasibility of applying land sharing in Sengki, and found high potential for its application to this site.

b) The land sharing process in Sengki

In early 1984 the KPB offered to sell 4,280 square meters of the site to the 85 former land renters who were made homeless by the fire at the price of Baht 625 per square meter while the market price was about 2,000 Bt. per square meter (Yap and Angel 1992, 54), resulting in plots of 40 square meters. However, the residents and the NHA refused, as the latter wanted to re-house all current residents, not just the former land renters. It had identified at least 129 households that needed to be re-housed; the community claimed that there were 141 households. The community also wanted bigger plots.

In 1986 the KPB eventually agreed to sell 6,032 square meters for a price of Bt. 4,427,000 or Bt.734 per square meter. This was a higher price than that first offered to the former land renters, but still well below the market value of Bt. 2,000 per square meter. The huge discount was due to the KPB's intention to help poor residents (UNCHS undated, 13). The KPB insisted that it would deal with one group representing the entire community rather than individual households and that it would sell the entire piece of land in a single transaction (Yap and Angel 1992, p. 55). The NHA advised and assisted the residents to form the Sengki Housing Cooperative as a community savings fund to buy and subdivide the land and to act as the community's legal representative. That same year households in Sengki formed the Cooperative to undertake legal transactions, resale the land, and collect monthly repayments from individual households.

An agreement on the payment was reached by the NHA and KPB in February 1987: it stipulated that the community would pay 20 % of the total land price as a down payment while the remaining 80 % plus a 9.75 % interest charge would be paid over a period of 60 months, at Bt. 74,813 per month. Yet the NHA and committee decided to charge the residents at 13.5 %—the regular rate that the NHA would charge to all housing projects (Yap and Angel 1992, p. 63). The land purchase agreement was finalized between the Cooperative and the KPB by May 1987. There was a revolving fund of three million Bt. from the Netherlands Habitat Committee through the NHA that acted as a repayment guarantee for the bank. The KPB also sold plots of land that had not been destroyed by the fire directly to some of the renters who had decided to stay outside the land sharing agreement. These renters had to pay a market price but could buy much larger plots than if they joined the land sharing scheme.

Table 3.8 shows the land use allocation in the Sengki project. At the time when the land sharing project was initiated, there was no master and detailed plans to guide the site design and land uses. This approach might have led to scattered urban development in the long run

Table 3.8: Land use allocation

	Area (m ² .)	% of total area
Land sold to Sengki housing cooperative	6,032	24.0
Land sold to sawmill owner (at 2,000 Bt. per m ²)	3,692	14.7
Land sold to other tenants (at 2,000 Bt. per m ²)	1,656	6.6
Land rented by the Thai Danu Bank for a warehouse	10,376	41.4
Land available for commercial development	1600	6.4
Main road	1724	6.9
Total	25,080	100.0

Source: Yap and Angel, 1992.

c) Selection of eligible households and plot allocation

Before the fire, the Sengki community was composed of two main categories of people – households who had formal rental contracts with the KPB and those who sub-leased from the formal renters. After the fire, the situation became more complicated, with five additional (and sometimes overlapping) categories of residents: households who were affected by the fire and those who were not; households who stayed in Sengki and those who left; and newcomers who arrived in Sengki after the fire. Table 3.9 summarizes the sizes of these groups.

Table 3.9: Status of households in Sengki

Original land renters (residing in Sengki before the fire)	Number of families
Land-renters not affected by fire	20
Land-renters affected by fire	65+
Still living in Sengki	55
Left Sengki but still own a house in Sengki	10
Left Sengki entirely	?
Residents without a rental contract with the KPB before the fire and newcomers after fire	
Sub-leases of the land	35
Squatters	5
Other	7
Total A+B	132

Source: Yap and Angel, 1992

The KPB, NHA, and community committee argued among themselves about which groups of people were eligible for new plots of land in the land sharing agreement. Eventually, the NHA and committee agreed to give every household at least one plot except two known drug dealers (Yap and Angel 1992). The selection of eligible households was based on two priorities. The first priority was the households who were currently staying in Sengki and who lived there before the fire. The second priority was the large families of more than ten members. The selection of the households and plot allocation was decided by Sengki community leaders in collaboration with the NHA and the office of Yanawa district. However, the final decision was often left to the community leaders. Initially, the NHA prepared 126 plots to accommodate 126 households. There were 125 plots of 45 square meters and one plot of 22 square meters. However, the layout had to be adjusted because more and more households came from outside to claim the right to obtain a plot.

Each household was offered a plot more or less in the same location they occupied before the fire, on condition that other households agreed with the allocation decision. If there were two or more households needing a particular plot, there would be a lottery between them to decide the outcome.

In the end, nine plots were not claimed by their intended households because the beneficiaries could not afford to lease (and eventually buy) the land, or were unhappy with the plot size. They moved out voluntarily, and there was no documentation about compensation. Many households in Sengki were not poor and might want to stay with relatives who lived outside. For the households who subleased their land from the formal renters, they were not entitled to any compensation from the KPB. The Cooperative took those plots back and resold them at the market price to generate revenue. Some households offered to buy those plots at the same price that the Cooperative sold to the households; however, the committee leader denied these offers, which later resulted in a court case that the community leader won. The community leader mentioned the following:

“Some households who wanted those plots and wanted to buy at lower than the market price are my relatives. They thought that we got the land with the subsidy so we could sell them at a discounted price. But I thought that

we could sell these plots to generate revenue for the Cooperative. So they went to the court. Finally I won but until now they never talked to me again”

Eventually, the NHA subdivided the land into 4 zones, with 148 plots (see table 3.10 and Fig 3.5). The final number was higher than the original 125 plots to accommodate new comers. The price of the plots was dependent on their location in each zone. Thus in zone A, plots nearest to Charoenkrung Road cost Bt. 1,000 per square meter. The second-row plots cost Bt. 995 per square meter, and the last-row plots cost Bt. 775 per square meter. Most of the households in Zone A had to pay Bt. 10,000 for the down payment.

In Zone B and C the land price and down payment were varied by block. In Zone B the price ranged from Bt. 757 to 850 per square meter, and the down payment ranged from Bt. 4,000 to 16,000 according to the plot size. In Zone C the prices ranged from Bt. 625 to 700 per square meter while every household had to pay Baht 5,000 for down payment. For Zone D there was a flat rate of 625 per square meter. Every household had to pay Baht 3,640 for access to the plot, except the households who obtained bigger plots had to pay more according to the plot size (Table 3.10).

The community leaders and NHA staff decided to use a cross-subsidy system to calculate the land price because they thought that it would be good for households who obtained a better location to subsidize those households who obtained worse locations, with poor access to the main road.

Table 3.10: Average plot price and down payment

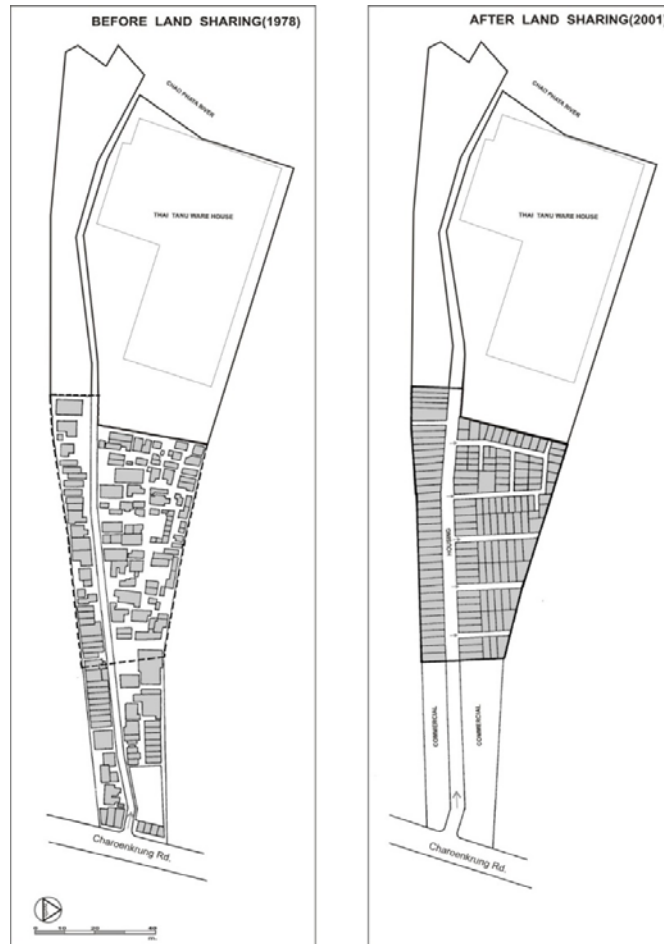
Zone	Average plot price (Bt.)	Price (Bt./sq. m.)	Down payment (Bt.)	Monthly Installment (Bt)
A	43,925	775-1,000	10,000	625-850
B	38,200	725-825	8,000-16,000	645-745
C	30,640	625-700	5,000	590-665
D	15,320	625	2,500	295

Source: the NHA, 1991 and Sengki housing cooperative, 1997

d) Project financing and land purchase

As mentioned earlier, the NHA and community committee charged the households an interest rate of 13.5 % per year to protect the fund against defaults by the households. The NHA and community committee allowed the households to pay their down payment in 3 installments. By 1987 the total loan amount for the down payments had been repaid.

About three million Bt. (US\$ 120,000) were offered to the Sengki Housing Cooperative by the Netherlands Habitat Committee through the NHA as a revolving guarantee fund for the residents. About 2.8 million Bt. were used to guarantee the loan borrowed from a Bangkok bank, and the rest was used for the construction of a community center. In October 1988 the Sengki Housing Cooperative purchased the land from the KPB for 1.3 million Bt. The Sengki Housing Cooperative opened an account at a commercial bank: this enabled members to deposit payments directly into the Cooperative's account. For many members, this represented their first exposure to commercial banking.



Source : NHA (1997)

Fig. 3.5: Plot allocation before and after land sharing

During the repayment period, some households faced difficulties repaying their monthly installments. Therefore, the Sengki Housing Cooperative agreed to collect small sums of 5 Bt. to 10 Bt. per day or 20 Bt. per week from these households to facilitate payments of their installment when they were due. Households who had not paid three consecutive installments would lose their right to obtain a plot. Nonetheless, some households, especially those with small plots, had already transferred their plot informally because they decided that they could not affordable to pay the monthly loan repayments. All in all, the total cost of the project was close to 45.9 million Baht, and subsidies from various organizations made the project possible (Table 3.11).

Table 3.11: Total expenditure involved in Sengki project

Item	Amount (Bt.)	Sources	
		From residents	Outside resources
Land	4,340,750*	100%	-
Infrastructure	3,003,000		100% (BMA& NHA)
Installation of water supply and household electricity	592,000	100%	-
Housing construction	36,612,200	100%	92.4 (UNDP& Netherlands Habitat Committee & MP's fund)
Community center construction	1,128,707	7.6%	
Administrative fee on land purchase	170,440	100%	-
Total	45,847,097	91.2%	8.8%

* excluding the land for community center

Source: NHA (1991).

- **Housing and community center construction**

After the plots had been allocated, there were 3 types of houses: 1) three-story reinforced concrete core houses with shared terrace; 2) houses that households built themselves on full-sized plots; and 3) houses built by households themselves on half-sized plots. The choice depended on not only households' preferences, but also on housing affordability. At the beginning, the plots did not meet the minimum building standards of the Bangkok Metropolis Administration; therefore, the Land Department could not issue the title deeds to owners. However, the NHA decided to continue with the project. The land titles were finally issued after some negotiations between the NHA and the Yanawa District Authority.

The home construction began in early 1991. It was different from other housing projects because new houses were constructed in a fully built area. Therefore, the plan was constructed section by section to allow the flexibility needed for households to remain on the site until they were ready to move. The first three sections comprised 37 units with terrace style, three-story reinforced concrete houses whose cost was about Bt. 430,000 per unit. For the remaining home constructions, the Cooperative relocated some households and demolished their houses to allow a plot survey before building more units.

For infrastructure, the Bangkok Metropolitan Authority (BMA) constructed a 6-meter main street to replace the 2-meter road. The NHA was responsible for building the minor streets. The Metropolitan Electricity Authority and Water Work Authority provided the electricity and water supplies.

The Sengki Community Center saw the success of the project as the result of cooperation of many actors and donors involved in supporting the idea that people needed a center to operate as a nucleus for long-term housing development. The total cost of the center was about 1.1 Million Bt. (44,000 US\$), with land purchased by households. The Netherlands Habitat Committee and Bangkok Member of Parliament's fund donated about 92.4 % of total construction cost, and the Cooperative borrowed money from the revolving fund to pay for the remaining cost. The construction of the Center began in July 1990 and was completed in August 1991. Presently, the Center is used for community activities, childcare, and as the office of the Cooperative.

- **The actors**

There were many actors involved in the Sengki housing project. The most important were the households. Without the participation of the residents, this project could not have been viable. The households played an important role as the core decision makers and the main actors in every stage. Before the creation of the cooperative, there were temporary committees who worked on individual activities such as plot selection, price determination for different plots, and the representation of various interests. After the cooperative was set up, the committee was elected to work as the legal representative to develop procedure and manage all implementation activities. The community leader who lived there for long time and had a slightly higher income than other households was very active and also played an important role in trying to organize community participation and helping the households who could not afford to repay the loan.

Without the willingness of the landowner, the KPB, to share the land, the Sengki land sharing project would not have been possible. The KPB greatly facilitated the project by enabling the households to buy the plots at an affordable price and to remain on the same site. The NHA played the role of the middle person between the households and the KPB in negotiating for the land. It also assisted in preparing alternatives for problem solving, providing trainings, calculating project cost, and designing the plots. The other organizations involved in different stages included: (1) the Yanawa District Authority that regularly helped coordinate the civil works; (2) the Department of Cooperative Promotion that acted as a consultant in forming the Sengki Housing Cooperative; (3) UNCHS that promoted the project for the International Year for the Shelter for the Homeless throughout the world; (4) UNDP that provided supports for project implementation; and (5) the Netherlands Habitat Committee that facilitated revolving guarantee funds. Table 3.12 summarizes the roles and importance of these stakeholders.

Table 3.12: Key project actors

<i>Implementation Stages</i>	<i>Main project actors</i>				
	<i>Community organization Cooperative</i>	<i>NHA</i>	<i>District Authority</i>	<i>Dept. of Coop. Promotion</i>	<i>Others</i>
<i>1. Survey of the community (covering number of households and location of dwellings)</i>	●	●	●		
<i>2. Survey of residents' housing and land tenure rights</i>	●	●	●		
<i>3. Negotiation for land sharing proportion and price</i>	●	●			KTB ●
<i>4. Plot design, site planning and identification of price zone</i>	●	●			
<i>5. Plot allocation</i>	●	●	●		
<i>6. Saving for down payment</i>	●				Bank ●
<i>7. Setting up of community housing cooperative</i>	●	●		●	
<i>8. Signing of land sharing contract</i>					KPB ●
<i>9. Loan from Guarantee fund for land purchase</i>	●	●			Financial institutes ●
<i>10. Repayment for land purchase</i>	●	●			Financial institutes ●
<i>11. House type consideration and approval for construction</i>	●	●			
<i>12. House construction</i>	●	●			
<i>13. Community center construction</i>		●	●		Financial institutes ●
<i>14. Infrastructure construction & installation</i>		●	●		Infra organization ●

Source: NHA, 1997

Notes: 1. Size of dots indicates degree of involvement in each step (the larger the dot, the larger the responsibility of each actor).

2. Financial Institutions refer to UNDP, Netherlands Habitat Committee, and MP's fund

3.2.2 Revisiting Sengki in 2013

In order to evaluate the impacts of the land sharing project after two decades, the author revisited Sengki in 2013 and conducted a small community survey, followed by in-depth interviews with the key informants such as the community leader, the chairman and secretary of the Housing Cooperative, former staff of the NHA, and some available households.

The survey found that many small plots were sold, particularly in Zone D, and some households had been able to obtain more than one plot, either during the plot allocation or subsequently by purchasing a neighboring plot from a household that had decided to leave. Therefore, some houses have been built on two or even three or five plots. Some of these large houses have been divided into apartments for rent. In contrast, some plots have two separate houses on them. Almost 15 plots out of the original 148 plots (10 percent) remain empty, as stated in Table 3.13

Table 3.13 Number of plots and structures in Sengki in 2013

Plot development	Number of plots	Number of structures
House on ½ plot	3.5	7
House on one plot	100	100
House on two plots	16	8
House on three plots (warehouse)	3	1
House on five plots (worker house)	5	1
Apartment building on two plot	6	3
Vacant plot (one plot)	14	-
Vacant plot (1/2 plot)	1	-
Total	148	120

Source: author, 2013.

After two decades, Sengki has developed from a temporary settlement of many shacks without building permits into a neighborhood with a middle-income atmosphere. Roads, water supply, and electricity have been provided to the neighborhood (Figure 3.7). Many houses were constructed using permanent materials. Over 70 % of the buildings are multi-story houses, and 16.3 % are detached housing units. There were three small rental apartments, one warehouse built on three plots, and a worker's dormitory built on five plots. More than half of the houses had three stories; and 28.1 % had two stories. The remaining houses had four stories. There was only one single-story home. Figure 3.7 provided a visual impression of the physical evolution of Sengki over a period of more than 20 years, from a largely informal settlement to an established middle-income neighborhood.

The average floor area of houses was 159.5 square meters, with a maximum of 555 square meters and a minimum of 36 square meters. The majority of the houses (71.9 %) were built of concrete; 15.6 % used both wood and concrete; and the rest were made of wood. Every house had electricity and water supply. Of the properties surveyed, just over 47.5 % were lived in (37.5 % occupied by owners and 10 % by tenants). The remaining units were either vacant (47.5 %), for sale (1.7 %), or of "mixed" tenure including to the cooperative ownership or other forms of tenure that could not be classified due to the lack of information (3.3 %) (Table 3.14).

Table 3.14: Housing tenure and use

	Number	Percentage
Rental house /apartment	12	10.0
Owned land and house	45	37.5
Others	4	3.3
On sale	2	1.7
Vacant	57	47.5
Total	120	100.0

Source: author, 2013

Many plots had changed hands, especially the small plots, either during the land sharing process or after the agreement was reached. According to the Secretary of the Sengki Housing Cooperative, “Many households, especially the renters and squatters, started to transfer their plot to another party informally either when they knew that they would get the right to obtain it or after the agreement was reached. Some of them also thought that they could not afford to repay the loan. Some of them said that renting or squatting on the land was much cheaper or even costless for them. Others preferred renting rather owning the house, because they might move to other places or return to their hometown. Some residents borrowed money from a money lender who advised them to obtain the plot and use it as a repayment. The poorest in the community were the first ones to leave.

a) Original Households

In 2013 *original households* could be categorized as follows:

- ***Those who got the right but never occupied the plot***

The original total number of households in Sengki was 132. By 1988 the NHA had allocated 148 plots to qualified households that wanted to stay. Yet not all these plots were occupied in 1988. In addition, some households might have claimed a plot and might have been allotted a plot by the NHA in Sengki, but never took possession (or they took possession but never occupied) the plot.

There is very little information about the people who were in this category. Some information could be obtained from the community leader, chairman, and secretary of the Sengki Housing Cooperative, and from households who bought their plots. The main reasons seem to be that: (a) these households were not interested in land sharing; (b) there was an uncertainty about the result of negotiation; (c) they needed money to pay for other living expenses or debts; (d) they were aware of their inability to repay the loan from the Sengki Housing Cooperative for purchasing the plot; and (e) some might prefer renting rather owning their accommodations.

- ***Those who had the right to obtain a plot and stay but lost or sold their plot.***

There are three reasons for the departures of some households.⁹ First their incapability to repay the loan to Sengki Housing Cooperative for the purchase of the land could be a prime reason. Second some original residents might need immediate cash to cover other expenses or debts. As a respondent from one of our interviews explained, “I bought this plot from the former owner. He needed money urgently because he always gambled. When he lost, he needed the money to pay the money lender.” Third some wanted to return to their original province.

⁹ It is difficult to determine the reason why they left. Not only is the information secondhand, but the decision could also be a complicated weighing of pros and cons.

- ***Those who stayed in Sengki as renters.***

There were original households who stayed in Sengki as renters. One of those still owns a plot but could not build a house, so she rents a house in Sengki. Another respondent from our interview explained, “I have a land title in Sengki but could not build the house because I could not afford it. It has been more than 20 years since I got the land, but still I cannot build a house here. I rent a house and look at my plot across my rental house and hope that I can build my house in one day.”

- ***Those who did not stay but still own the plot and rent it out.***

Some households left Sengki but did not return their plot or sell it. They rent out their plot to other people and live somewhere else. These residents who are absent from Sengki have not necessarily experienced deterioration in their housing situation. They might have found alternative formal or informal accommodation in Bangkok or returned to their hometown. An interviewee said, “The owner of the plot next to me has a house in Thonburi. When the NHA removed her house to clear the land, she moved to that house and never came back. She however keeps the plot and comes to check it from time to time.”

According to the chairman of Sengki Housing Cooperative, “The owner built the house and stayed almost 5 years. After that, her son got a job in other province. So she followed her son and rented this house out. She comes here every month to collect her rental fee.”

- ***Those who stayed in Sengki, but faced difficulties building a good house.***

There was an expectation that once a poor household had security of land tenure, they would be able to use the title as collateral to obtain a loan from the financial institute and start housing investment. Nevertheless, the situation in Sengki was more complicated than expected. Some were unable to obtain a loan; others could not borrow from the bank but could acquire a loan from a friend or relative. Others tried to use only the land title as collateral; but it was not enough. Another interviewee explained, “Initially we got the big plot in Zone B; but the costs of the plot and construction was too high for our family. So we exchanged plot and moved to zone D because we could afford it. We built our house on very small plot. After ten years, my neighbor wanted to sell her plot and move out, because it was difficult to access her house at the end of the Soi. I wanted to buy it to extend our house so I tried to borrow the money from the bank; but the bank did not accept my loan application because I did not have stable income as a food seller in the market. Besides the plot was not located next to the main road. Therefore, the bank decided that I did not pass its criteria. Then my neighbor sold her house to an outsider for renting. I still stay in the small house and cannot improve it.”

- ***Those who stayed in Sengki and own more than one plot***

There were nine households who owned more than one plot. Some of them bought the plot during the land sharing negotiation. Others bought the extra plots after the agreement. The former chairman of Housing Cooperative said, “I bought an extra plot that is next to my home because the owner did not like living here. He said that the plot was too small especially when he had a car. He sold this plot to me and moved to a bigger house on the next Soi. My son and I extended our homes, and now I live with my son’s family.” In Sengki, two families own more than four plots. One of them is a moneylender, and another got money from his son-in-law who is a foreigner to buy the additional plots.

b) The Newcomers

There are three types of newcomers: (1) those who bought a plot with or without a house and live here; (2) those who bought a plot but live somewhere else; and (3) those who rent a house.

- ***Owners who bought a plot with or without a house and live here***

Many newcomers bought the plot in Sengki because they had friends or relatives in the community who informed them of an opportunity to buy a plot. Some of them are not real newcomers because they lived here before. A respondent said, “I bought this plot because my family lived here. She told me that the former owner of this plot wanted to sell it and move to her hometown. I bought it because I wanted to live with my family, and the location is very good because it is in the city center with a very reasonable selling price.”

- ***Owners who bought a plot but live somewhere else***

As explained by another respondent, “For the owner of the warehouse who obtained five plots, his mother lived here and got one plot. She always told him when some households wanted to sell the plot. He started buying plots and built a dormitory for his workers on these plots. At present, he owns not only five plots but also 2 plots on the opposite side. He recently sold a plot to another household.

- ***Renter***

There are three small apartment lots in Sengki. An owner purchased the plot next to his brother’s house and built a small apartment building on the combined lot. The family lives on the first floor and rents the second and third floors to other families. There are also many houses rented out on a small plot in Zone D. An interviewee who is a tenant said, “I rent the house here because it is located in the city center and near my workplace. It is also cheaper compared to other houses nearby.” The ongoing presence of tenants and rental accommodation in Sengki, even after land sharing and an intensive period of settlement upgrading, indicates the pervasive need of affordable housing for low-income families. Housing solutions in a city like Bangkok must be flexible. The urban poor continue to be attracted to areas such as Sengki where the government offers them an opportunity for relatively low-cost (although higher cost than before upgrading) and low-threshold housing solutions, including short-term, informal rental not bound by any contracts and other regulations.

3.2.3 Conclusion: assessing the outcome of the Sengki land sharing project

The performance of the Sengki land sharing project can be considered from multiple perspectives and dimensions, as summarized in the sub-headings below.

On the one hand, the project was historic, as it helped to launch land sharing as an approach that is worthwhile to replicate to help low-income communities under eviction pressures to upgrade their housing, land tenure, and services. The project also demonstrated that the political will could be found in Bangkok at the time—among public, non-government and private actors across the city—to assist such low-income communities to improve their housing rights.

On the other hand, while Sengki undoubtedly created a good opportunity for a majority of residents to own land securely for the first time, the land sharing case in Sengki may not necessarily have been the best solution for the poorest families. As in most other upgrading projects, Sengki ended up displacing many of the poorest, most of who were tenants. The latter either could not stay in Sengki because of the higher living costs that

the project entailed. Or they preferred to move on either back to their hometowns in the provinces or to another place in the city where renting would remain cheap. For a third group of the poorest families, the land sharing project resulted in secure new plots of land, but after they got their plots, these families sold these plots and went their own way. In a free market economy, the poor tend to be the first to leave even they have an opportunity to own the plot.

a) The security of tenure dimension

One of the main objectives of the project—from the point of view of the original residents as well as their supporters—was to provide security of tenure to the established community on site. To a large extent, this objective has been met through the Sengki land sharing agreement: in early 2014, 57 % of the original families still owned plots in Sengki. Some of them could obtain more than one plot, either during the original land sharing negotiation, or after the project finished.

But although over half of the original households still owned their plots, not all of them stayed in Sengki. Some of them still keep their plot and rent it out to earn extra income. Many of the plots that ended up being sold were located in Zone D, probably because the small plots in zone D were obtained by the poorest households in the community (table 3.15).

Table 3.15 : Tenants in Sengki (original or newcomer households)

Zone	Original		Newcomer		Unknown		Empty		Total	
	N	%	N	%	N	%	N	%	N	%
A	18	52.9	14	41.2	2	5.9	-	-	34	100.0
B	9	37.5	7	29.2	3	12.5	5	28.3	24	100.0
B,C	-	-	1	100.0	-	-	-	-	1	100.0
C	14	50.0	5	17.9	8	28.6	1	3.6	28	100.0
D	15	31.3	22	45.8	2	4.2	9	18.8	48	100.0
Total	56	41.5	49	36.3	15	11.1	15	11.1	135	100.0

Source: author, 2013

From the perspective of the original families still living on site, *the Sengki project is a great success. As one of the interviewees (one of the erstwhile squatters) mentioned, “For me, Sengki is a successful project because we had land and a house at (almost) the same location. We did not have to move far away. I know the project took a long time to reach an agreement. It also required my participation. We were lucky that the community leader and cooperative committee were really willing to solve the problem even though there were some conflicts.... I am very happy to live here with my family and will not sell the plot because it represents our victory.”* Moreover, from the point of view of the urban poor, Sengki also created a low-cost rental housing stock in a desirable central location.

From the perspective of the NHA, a key institutional supporter of the Sengki project, land sharing in Sengki was an innovative mechanism to deal with the housing problem for the urban poor. Unfortunately, after the project, the involvement of the NHA was limited to occasional visits. They knew that the poor started selling the plots but could not control the situation. Some recipients preferred money rather than land. According to another former staff member of the NHA, although land sharing was imperfect, some poor families got the right to obtain a plot at the same location. Moreover, land sharing enabled an informal settlement to be legalized, with improved services and secure tenure. This scheme also generated the perception that the government housing agencies and the communities could solve the low-income housing problem by working together.

b) The community dimension

A noteworthy aspect of the Sengki land sharing scheme was that it represented one of the first cases of community organization among the urban poor in Thailand around housing finance (savings and loans), through the establishment of the Housing Cooperative. The Cooperative demonstrated that the poor could organize themselves, form successful savings groups, and be reliable consumers of small-scale housing loans. Thus, the Housing Cooperative, while fulfilling an important role as a vehicle for housing finance in Sengki, at the same time also played a vital role in cementing community organization and solidarity. Moreover, the Housing Cooperative has proved to be a success: the study found that after two decades, almost 97 % of the households completed their loan repayments. Only two of the original households did not finish paying back their loans to the Cooperative.

The loans that the households had to repay to the Cooperative represented the main connection between the household and the community. When households finished the repayment of their debt, they could remain as Cooperative members only if they wanted to. Because most households had fully repaid their debt, the major function of the Housing Cooperative has been operated the community center. Many newcomers who bought their plot from the original households are not members of the Cooperative. The community leader who we interviewed said, “At the beginning, almost everyone faced the same issue. We were very worried about being evicted. So we organized our community as a Cooperative. I was selected as a leader to negotiate with KPB...But still there were some families, especially renters and poorer neighbors, who did not want to participate because they were busy earning their daily income. They also did not believe in the land sharing scheme. I therefore tried to encourage them to join us and helped the poor who could not repay the loan by paying on their behalf sometimes. However, after we got the land and allocated it to every household, some of them did not want it because they could not afford it or found better alternatives.”

c) The power dimension

Finally, an even more essential criterion on which to assess the project may be that of power. This includes whether the original households were empowered to stay in Sengki and improve their housing situation, or how many households were given the opportunity or power to make their own choices about whether to leave the settlement in search of a better alternative.¹⁰ From this perspective, the case of Sengki shows that most residents of the old informal settlement were able to become actors in their own housing development, thanks to the collaboration between Thai housing activists, government agencies, and their international partners. For residents who left the settlement voluntarily after land sharing, the project might have empowered them to sell their new plots at higher prices and to move to other preferred location. While this behavior was not encouraged by the project—as it aimed to keep original residents on site—it nevertheless represented a form of empowerment for local residents to make their own housing decision.

From the community perspective, power dynamics in the Sengki land sharing agreement represented a “double edge sword” for the community. While the land sharing agreement

¹⁰ See Rabé (2014) for a discussion of the different forms of “power” and agency in land sharing in the Cambodian context, based on Albert Hirschman’s original typology of exit, voice, and loyalty.

gave previously powerless “squatters” newfound powers of secure tenure, market power (to sell their plots at a higher price if they wished) and voice (through participation in the outcome of the agreement) this “power” also led many of the poorer households to decide to exit the community. In the short term, newfound market power gave some of the poorer families a direct incentive to sell their plots and move elsewhere (see also the sub-heading on “The Security of Tenure Dimension”). Though this may have represented a victory for themselves as individuals, it acted to fragment the community fabric that existed before the land sharing agreement. The newfound “power to exit” has fundamentally altered the structure of the community. The Secretary of the Sengki Housing Cooperative confirmed this when he mentioned that social interactions in Sengki have changed. In the past neighbors knew each other. Yet nowadays, they do not know the newcomers who have come and gone, and there are fewer interactions within the community. On another level the study found that a significant minority of residents – poorer tenants in particular – ended up leaving the settlement involuntarily because they were worried about the negotiation’s outcome and the future burden of repaying the loan to the Housing Cooperation. In all likelihood these tenants did not leave of their own free will but were forced out for economic reasons and due to their difficult legal position. For these families, the project resulted not in newfound power but in a confirmation of their (legal and economic) powerlessness.

The Sengki land sharing agreement therefore led to a number of well-known pitfalls for poor urban communities. The signing of a formal agreement and the upgrading of housing and land rights in a hot property market in practice benefited the better off households of the settlement by raising costs of living and providing a monetary incentive to sell off newly formalized plots and introducing costs of participation, privileging ownership tenure and reducing the scope for short-term rental. In the longer term, this polarized the community as residents became less equal (particularly with regard to the distinction between owners and tenants).

d) Sengki as a precedent for subsequent urban poor community programs

The Sengki Housing Cooperative was the first Housing Cooperative in Thailand and a model for the subsequent Baan Mangkhong program in Thailand—a new low-income housing program launched by the Community Organization Development Institute (CODI) in 2005. Under the Baan Mangkhong program, CODI encourages the urban poor to organize savings-and-loan groups, develop these groups into community-based organizations, and use the strength of the community to design and implement housing projects. A community will negotiate with the landowner to gain security of land tenure by trying to buy or to share the land it occupies. If this is impossible, a community will sign a long-term or short-term lease, or buy or lease land nearby and seek a Baan Mangkhong mortgage loan from the CODI. Once land tenure is secure, the community and CODI start to improve or rebuild the houses and install infrastructure. The land in Baan Mangkhong is collectively owned or leased; it does not belong to the individual family. If one of the poor families wants to sell its share of landownership, it has to sell it back to the community. The collective ownership ends when the loans have been fully paid back in 15 years. To support the individual communities in their projects, community-based organizations develop into citywide networks, which in turn create partnerships with local governments, civil society groups, and academics to find solutions for the housing problems of the urban poor. Baan Mangkhong does not just improve housing but aims to empower people. It wants the urban poor to gain the capacity “to negotiate their way through the hazards of the global market economy” (Connor 2003, p.23 quoted in Yap 2014).

Chapter 4

Low Income Housing Policy in the Turning Point

4.1 Introduction

In 2003, Thaksin Shinawatra, **the former Prime Minister of Thailand**, announced the ‘**One Million House Program**’ in an effort to solve Thailand’s urban low-income housing issue in within five years (2003-2006). At the time, the number of households in the country with insecure land tenure was estimated to be 1.14 million (CODI, 2015) thus, the program was intended to address almost the entire housing backlog which the turning for low income housing in Thailand. There were 3 programs as follow:

- **Baan Eua Arthorn program** (we care for housing). NHA had to build 600,000 housing unit within 5 years (2003-2007)(NHA 2002). There were two main tasks of NHA: 1) Implementation which was responsible for the project development; and 2) support which supported the main mission of the organization.
- **The Baan Mankhong program** (secure house) was implemented by an independent public organization called the Community Organization Development Institute (CODI), which established by the government in 2000 by merging the Urban Community Development Office (UCDO, one of NHA offices) with the Rural Development fund. (Boonyabancha 2005, p.23). *The objective of this program was to improve housing, living, and tenure security for 300,000 households in 2000 poor communities in 200 cities within 5 years.* The Baan Mankhong program used the networked saving groups by enlarging the partnership and seeking for a city-wide impact. Each network of community groups set up partnership with local government, NGOs, professionals and universities in the city. The partnerships surveyed the low-income communities in the urban areas. The draft of the plan as practical result for their land and housing problems (Boonyabancha 2005.p.25). The Baan Mankhong program could be classified into three options: upgrading, re-blocking and relocation. In terms of security tenure, the communities tried to buy or lease the land. Security of tenure is negotiated by one community at a time and the result. It is depended on the particular conditions; however, the prominence was always on the communal land rather than the individual one.
- **Housing loan** for 100,000 low income households which implemented by the Government Saving Bank

The study focused mainly on Baan Eua Arthorn program (BEA) and used some secondary sources to evaluate Baan Mankhong (BMK) program.

4.2 An evaluation of the Baan Eua Arthon housing program

The BEA housing program was widely recognized to be one of Shinawatra's populist policies (Usavagovitwong, 2012). Many scholars have argued that the scale of the program was beyond the capacity of the NHA. Its problems included unclear market demand, limited tenure option, and lack of different prototypes (Urban Solutions, 2005), meanwhile, house prices were fixed, but costs increased. It was an example of faulty real estate policy by a public authority using public funds to benefit the interests of politicians and their cronies (Yap, 2014).

On the other hand, the BEA housing program could also be viewed as a large-scale government housing program that sought to resolve the housing backlog for a low-income group that was lagging behind national economic growth in a developing economy at a turning point. In Thailand, industrialization has been accelerating since the late 1980s, as direct investment has rapidly increased and economic growth has wrought significant changes in the employment structure and labor market.

The Thai economy was able to recover from the Asian Financial Crisis of 1997-1999 by promoting export-oriented industries with the depreciation of the Thai Baht, and continuous inward foreign direct investments. In 2010, the GDP per capita reached almost 5,000 US dollars. Thailand has been shifting to a new industrial economy (Fukushima, 2012). The BEA housing program was implemented in response.

This study aimed to evaluate the BEA housing program as a large-scale government housing program response to a housing backlog for Thailand's low-income population. It evaluated the impact of housing condition on the low-income group in the Bangkok Metropolitan Region (BMR), to clarify what kind of housing opportunities the BEA program provided to this group. Second, keeping the populist nature of the BEA program in mind, it examined the risks of a populist housing policy, and the lessons to be learned from the experience of the BEA housing program.

There were several papers and reports examining the issues and problems of BEA housing program from different points of view, such as its target setting and supply capacity of NHA (Urban Solution, 2005), the program design including housing finance and affordability of the target group (Pornchokchai, 2008; Chanond, 2009). However, there aren't any evaluations of the BEA housing program based on the questionnaire survey for the beneficiaries or residents of the BEA housing. Thus, any papers did not clarify real impact of the program on housing conditions of the low income group of BMR, housing opportunities provided by the program.

4.2.1 Analytical framework of the study

The analysis was comprised of three parts:

(1) To review the background and objectives of the program, its original outline, and how it was modified over the course of its implementation.

(2) To evaluate the program, we clarify the BEA's quantitative impact on the housing market in the BMR, and examine characteristics of the program beneficiaries, including how BEA housing was accessed, and the housing opportunities realized through the program for the low-income population.

(3) To examine policy implications and the risks of populist housing policy. We examine the nature of the BEA housing program as populist housing policy and determine

the kinds of risk such policy might be expected to incur, as well as policy implications toward creating an effective urban housing policy.

4.2.2 Major surveys

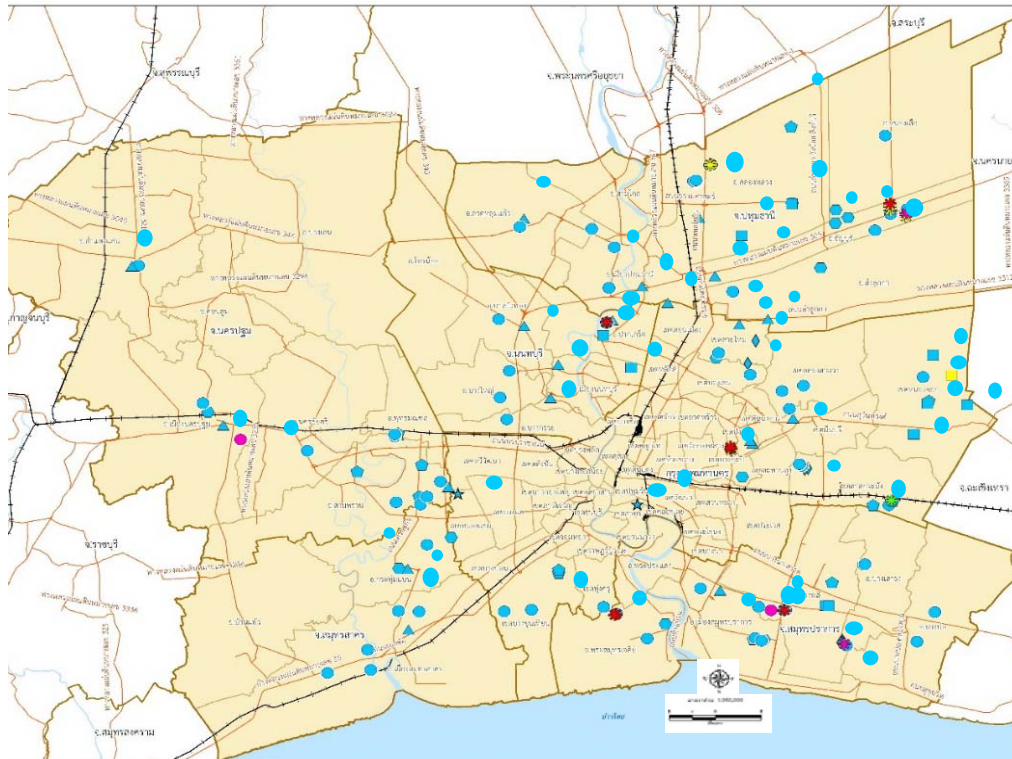
1) In-person interview with the NHA

The author interviewed NHA officials about the background of the project, the objectives of the program, policy implications, and the project's current situation and problems. Moreover, the study requested information regarding the location, number of units, type of housing built, and time that each unit was begun and finished in the BMR as criteria to select samples.

2) Questionnaire survey of BEA housing residents in BMR

The author conducted a questionnaire survey of the residents of BEA housing units in the BMR in order to evaluate the program from the viewpoint of the beneficiaries. Because the supply of BEA housing units is concentrated in the BMR (65.16%, NHA, 2014). This study focused on projects in that area. The objectives were as follows:

- To clarify who were the beneficiaries of the BEA program in the BMR and examine whether the low-income group, the target of the BEA program, was able to access BEA housing.
- To examine how residents accessed BEA housing, considering the regulations and implementation of the BEA program by the NHA.
- To clarify the kinds of benefits that accompany owning a BEA housing unit, by comparing residents' housing opportunities with/without the BEA program
- To evaluate the BEA program and examine the reasons behind its success/failure.



Source: NHA, 2014

Fig. 4.1: Location of BEA projects in BMR

A questionnaire survey was administered in the Bangkok Metropolitan Administration (BMA) and three surrounding provinces, including Nonthaburi, Pathum Thani, and Samut Prakarn from January-March 2014.

A total of 468 valid responses were obtained. The samples were collected from 10 of 95 projects in the BMR. A set of projects was selected to reflect the composition of BEA projects in BMR. In terms of housing types (there are 3 types: detached house, row house, and flat), location (urban and suburb), selling price varied from 390,000 to 650,000 Baht, size of the project (less than 1,000 units, 1001-2000 units and more than 2,000 units) to make sure that our samples represent the characteristics of BEA housing

Table 4.1: Selected projects and size of samples

No.	Province (District)	Location	Project name	type	Price	Year completed	No. of units	Sample size	% of sample size
1	BKK (Sathon)	Urban area	Suan Phu	Flats (5F)	610,000 - 650,000	2009	558	38	8.1
2	Nonthaburi (Muang)	Urban area	Prachanit vet	Flats (5F)	460,000 - 500,000	2005	1,530	44	9.4
3	BKK (Don Muang)	Suburb	Song Prapa	Flats (5F)	430,000 - 470,000	2006	748	47	10.0
4	BKK (Nong Keam)	Suburb	Pethcakas em 81	Flats (5F)	410,000 - 450,000	2006	1,708	41	8.8
5	Samut Prakarn (Prasamut Chadi)	Suburb	Prommitr	Flats (5F)	410,000 - 450,000	2012	1,301	44	9.4
6	BKK (Minburi)	Suburb	Minburi	Flats (5F)	405,000 - 430,000	2006	2,980	54	11.5
7	Samut Prakarn (Bang Sao Thong)	Suburb	Bang Phi	Flats (4F)	390,000 - 405,000	2009	5,640	57	12.2
8	BKK (Nong Chok)	Suburb	Keaw Pradub	Detached house	470000	2007	240	44	9.4
9	Phathumtani (Khong Laung)	Suburb	Rangsit Khong 3	Detached house	470000	2005	499	50	10.7
10	Phathumtani (Thanyaburi)	Suburb	Rangsit Khong 9	Row house	470,000	2012	1360	49	10.5

Remark: These prices are from 2012; the NHA has adjusted the price several times

4.2.3 BEA housing program and its implementation

1) Background and objectives of the program

The government announced the ‘One Million House Program’ without scrutiny, after former Prime Minister Thaksin’s visit to Russia in late 2002, inspiring massive public housing stock there (Pornchokchai, 2004). This was recognized one of Thaksin’s populist’s policy. After Thaksin was elected, he began to fulfill several policies targeted at the rural poor, such as the 30-Baht healthcare initiative, the debt moratorium, and the village funds. However, policy was lacking in the area of human settlement. The limited housing opportunities for urban low-income people was also a concern of the Thai Rak Thai (TRT) party. Thaksin’s government introduced the BEA housing program not only to solve the

issue of housing for the LIG, but also to strengthen their political base with the poor (Marohabutr, 2005). Although former Thai politicians had also used populist policies, it was not on as large a scale as during the Thaksin's government (Baker, 2005).

2) Outline of the original program

(1) Outline of the original scheme

The main objective of the BEA program was to improve housing condition for the low income group by providing them with affordable and appropriate standard housing, equipped with the necessary infrastructure (NHA, 2005).

The NHA planned to build 600,000 housing units within a five-year period, 2003-2007 (NHA, 2002). The Government subsidized Bt. 80,000 of the total Bt.470,000 cost for each unit. This subsidy paid for onsite infrastructure and was deducted from the cost, resulting in a selling price of Bt.390,000 for all units. The NHA was responsible for implementing the program, and the Government Housing Bank (GHB) was appointed to provide affordable housing mortgages to buyers. For the next five years, the GHB set interest at a fixed rate of 4% for the first three years, 5% for years four-five, and a floating rate thereafter. The NHA assumed that BEA housing buyers would pay 20% of their household income on monthly installments of the loan, so that the housing priced at Bt. 390,000 would be affordable for lower-income households earning Bt. 10,000–15,000 monthly.

(2) BEA housing development

BEA housing development was based on mass production. The project had five approaches: (1) construction by the NHA on its own land; (2) construction by the NHA on other public land with long-term leases; (3) acquiring completed units from non-performance assets and re-selling them; (4) construction by the NHA on private land; and (5) contracting out to private developers¹².

The BEA housing project included not only basic infrastructure but also services. The NHA planned two types of BEA projects for different locations: urban areas, and suburban/provincial areas. The urban project targeted single persons or new/small families (2-4 people), and the housing type was a complex of flats. Meanwhile, housing types in the suburban/provincial project included the row house, and twin house or detached house, which could serve relatively larger families.

(3) BEA housing types

Two housing types were planned for the BEA project. Low-cost condominiums were 24 or 33 m² per units composed of one multi-purpose room, one bedroom, and one bathroom. The other type was a house on land, which could include: (1) a two-floor detached house on 80 m² land per unit; (2) a two-floor row house on 64 m² land per unit; and (3) a two-floor twin house on 60 m² land per unit. The unit area was about 51.8 m², with 2 bedrooms, one bathroom, and a living room on the ground floor.



Fig. 4.2: BEA low-cost condominium



Fig .4.3: BEA house with land

3) Implementation of the program

Initially, the BEA housing program aimed to produce 600,000 units (477,000 units in the BMR, and 123,000 units in other provinces). The cabinet approved a total of 601,727 units of BEA housing in 2005. The NHA started supplying BEA housing in 2003, and accelerated the supply after 2006; this was after private sector involvement in the BEA housing program was approved in 2005. The NHA supplied 22,101 units during the period 2003–2005, and 232,867 units across the country from 2006–2010(table 4.2).

Table 4.2: BEA housing units supplied in BMR and other provinces (units)

Year	Bangkok	5 Surrounding Provinces	Other Provinces	Whole Country
2003	1,417	5,084	11,282	16,783
2003	-	477	-	477
2004	692	836	-	1,528
2005	-	3,113	200	3,313
2006	12,668	25,753	7,612	46,033
2007	2,564	5,212	11,219	18,995
2008	12,395	29,582	18,622	60,599
2009	9,136	40,825	21,884	71,845
2010	10,913	10,341	14,051	35,395
2011	-	4,128	9,890	14,081
2012	417	8,054	2,578	11,049
2013	-	862	743	1,605
Total	50,202	133,267	98,081	281,550
% to whole country	17.83	47.33	34.84	100.00

Source: NHA, 2014

However, the NHA soon faced the problem of a surplus of housing, resulting in very serious financial problems. After the Thaksin's government was ousted by a coup d'état in September 2006, the BEA housing program was criticized for consuming immense public funds and for serious corruption (Marohabutr, 2011). The NHA posted losses every year (e.g., Bt. 1,264 million in 2007, and Bt. 1,494 million in 2008), and its accumulated debt had reached about Bt. 96,302 million by 2008 (NHA Report, unpublished). The junta government of Surayuth formed an investigation committee to look into Thaksin's policies in 2006, and asked NHA to reduce the supply target to 300,504 units in 2007. During the Abhisit Vejjajiva regime (2008-2011), the government asked NHA to suspend new projects and started monitoring every project. Finally, the government decided to terminate the program at a minimum cost, requesting that the NHA reduce the supply target to 281,556 units in 2009, which meant the government allowed the NHA to continue only projects already underway. From 2003–2013, the NHA supplied 281,550 units of BEA housing across the country, which meant the NHA had achieved the reduced supply target, although many unsold units remained on the market (25,969 units in 2013). Of the total BEA housing supply in the country, two-thirds (65.16%), or 183,469 units, were in the BMR. Of these, 50,202 units (27.36%) were located in the BMA, while 133,267 units (72.64%) were in five surrounding provinces in the vicinity. Regarding the type of housing supplied, the majority (92.15%) was flats, with houses on land accounting for only 7.9% in the BMR due to land costs.

There were compound reasons behind the surplus housing problem. First, there was an oversupply and mismatch of supply and demand in the types of BEA housing in many areas, including the BMR and other provinces (Chanond, 2009). This was because of the weakness of the “one price fits all policy”, which suited buyers in the Bangkok Metropolitan Area but failed to match the expectations of potential buyers in smaller towns where land was cheaper and more available. Second, the supply target was set based on housing needs rather than on the housing demands of the low income group. In particular, the NHA misunderstood how much the target group could afford, and found that they expected too much of the special arrangement of the GHB and other governmental finance institutions for housing loan provisions. Many mortgage applications for BEA housing were not approved by the GHB because applicants' income

level was lower than the one stated in the criteria (Mortgage Daily, 2014). The GHB also requested credit histories which something most of the poor who worked in the informal sector did not have. Third, many units faced foreclosure, as the low-income purchasers did not have the ability to pay their mortgages (Media Thai, 2009). Housing purchasers were required to begin paying monthly installments on their housing loans before the housing units were completed in the Thai housing system, and many purchasers could not afford to pay for both their original house and the monthly installment at same time. There were also many cases in which the purchasers could not pay the increased monthly installment after the floating interest rate was applied. Therefore, a number of BEA housing units were left unsold

To cope with the housing surplus, the NHA took two actions in addition to reducing the supply target. It relaxed the income ceiling for applicants many times in order to increase demand for BEA housing, and adjusted costs to inflation and wage increases in general. The monthly household income criteria modified upward several time from Bt. 15,000 in 2003 till Bt. 40,000 in 2009 (NHA, 2007 and Siriphanyothin, 2010). The NHA also modified the “one price fits all policy”, and began to set housing prices with more flexibility (table 4.3). These modifications helped improve the NHA’s management of the BEA housing program. In particular, the reduction of supply target and abolition of the “one price fits all policy” were favored as realistic approaches. However, it was questionable whether too much relaxation of the income ceiling allowed the BEA housing program to achieve its goal, which was to support home ownership for low-income households.

Table 4.3: Modification of the BEA housing program

Year Cabinet (Party)		2001-2006 Thaksin (Thairukthai)	2006-2007 Surayuth* (Military govt.)	2008-2011 Abhpsit (Prachatiphat)	2011-2014 Ying luck (Puethai)	2014- Prayuth (Military govt)
BEA housing program	General	2002: Announcement of a million housing 2003: BEA housing program begun 2005: Private sector involvement	2006: Formation of investigation committee on the Thaksin policies 2007: Requested NHA to reduce the supply target due to huge losses	2008: Monitoring & evaluation of BEA 2009: New projects halted	Continuing ongoing projects	2015: Rebranding of the BEA as the Baan Yangyeaen**
	Supply target	2002: 601,727 units	2007: 300,504 units	2009: 281,556 units	→	→
	Income ceiling	2003: Bt.15,000 2005: Bt.17,500	2006: Bt.22,000	2008: Bt.30,000 2009: Bt.40,000	→	→

Source: modified from Siriphanyothin, in, Government Housing Bank Journal, 2010.

** There were other Cabinets, including Samak (2007) and Somchai (2007-2008), after the Cabinet of Surayuth.*

*** Prachachetturakitonline, 2015*

4.2.4 Evaluation of the BEA housing program in the BMR

1) Impact of the housing supply in BMR

The BEA housing program had quantitative impact on the low-price housing market in the BMR. The program supplied 171,862 units in the BMR (REIC,2015), almost one-third of the BMA (33.0%), and a larger share in the surrounding vicinity (41.6%) during the period 2006–2012 when the program was most active (table 4.4). Considering the lower housing market segment of houses priced at less than Baht 500,000, the share of the BEA housing in the BMR should have been much higher. However, projects in inconvenient areas and oversupply due to project concentration resulted in many unsold units.

Table 4.4: Presence of BEA housing in BMR (2006–2012)

		BMA	BMR Vicinity	BMR
BEA housing supply (units)*		47,286	124,576	171,862
Total housing supply (units)**		1,015,051	974,759	1,989,810
Total low-price housing supply (units)**		143,353	299,810	441,407
BEA share (%)	Of total housing supply	4.7	12.8	8.6
	Of low-price housing supply	33.0	41.6	38.9

Note: Low price house is less than 1 million Bt and include BEA housing units.

*Source: * the authors based on NHA, 2014; **REIC, 2015 (unpublished data)*

2) Evaluation of the program as a home-ownership policy for the low income group

(1) Tenure status and beneficiaries of the BEA housing program

In order to evaluate the BEA housing program as a home-ownership policy for the low income group, we examine the tenure status of BEA housing and consider who were the real beneficiaries. With regard to tenure status of the BEA housing, 60.0% and 17.8% achieved home ownership and family ownership, respectively. Thus, it seems that BEA housing did indeed promote home ownership. Among those who achieved family ownership, the most common case (53.0%) involved children purchasing a BEA housing unit on behalf of parents who could not satisfy the housing loan criteria. The reverse, cases of parents buying a BEA housing unit for their children's family were fewer (15.7%). On the other hand, the status of 22.2% of respondents was that of renters. This meant that a not small number of owners were able to purchase a BEA house for speculative purposes, and rent out their units to someone else.

The question then becomes whose home ownership the BEA housing program contributed to. A comparison of the monthly income distribution between all households in Greater Bangkok and the owners of BEA housing clarified that the BEA housing program supported home ownership (including family ownership) for the low income group to upper middle-income group. Almost one third of owners (34.1%) belonged to the low income group, earning less than Bt. 20,000 per month, the bottom 30% of the income distribution. This was the group initially targeted, if income increases from 2003–2014 in the BMR are taken into account. Another 21.8% of owners belonged to the lower middle-income group, earning Bt. 20,000–24,999 per month. Lower-income owners were largely middle aged or seniors (54.0% were over 50-years old), had a lower educational background (64.5% had only junior high school education or less), and worked in lower-qualification jobs, such as simple wage labor (46.0%), informal workers (14.5%), or transportation labor (8.9%). The lower middle-income owners had similar characteristics, but were a bit younger, better educated, and had higher qualification jobs, including clerical work (13.9%) or government

administrative work (10.1%), although the most common work remained simple wage jobs (54.4%). Thus, the BEA housing did serve to partially resolve the homeownership issue for the lower and lower middle-income groups lagging behind national economic growth.

However, due to the relaxing of the income ceiling for applicants, 32.0% and 12.1% of the owners belonged to the middle and upper middle-income groups, earning Bt. 25,000–39,999 and Bt. 40,000 or more per month, respectively. These owners were younger (75.6% were in their 40s or younger), more educated (38.1% and 24.3% had graduated high school and university/college, respectively) and had higher qualification jobs or businesses. They were far from the image of the initially targeted group.

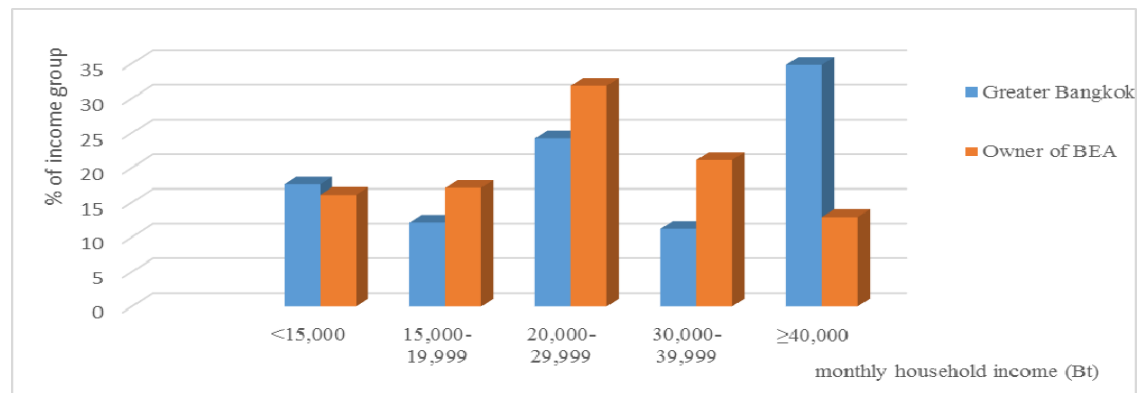
(2) Access to BEA housing ownership

BEA housing owners reported that it was not difficult to access a BEA housing unit (88.4%) in terms of affordability and gaining the right to buy a BEA housing unit through the lottery. Most applied only one time and waited only one year. Most owners bought at a price of Bt. 300,000–399,999. As the NHA relaxed the income ceiling for eligibility from Bt. 15,000 to Bt. 17,500, Bt. 22,000, Bt. 30,000, and finally Bt. 40,000 per month, progressively (table 4.5), the ratio of the standard price (Bt. 390,000) to the upper limit of annual household income decreased to 1.86, 1.48, 1.08, and 0.83 times. BEA housing was thus very affordable for applicants who could access a housing loan. Fully 86.1% of owners used housing loans. Many owners in the LIG pay Bt. 2,001–3,000 per month, spending around 20% of their income, which is almost equal to the rent that they used to pay for their previous rental homes (around Bt. 2,500 monthly).

Table 4.5: Monthly household income of the BEA housing residents by tenure

Tenure of house		Monthly household income (Bt.)									
		Lower		Lower middle		Middle		Upper Middle		Total	
		<20,000		20,000-24,999		25,000-39,999		≥40,000			
		N	%	N	%	N	%	N	%	N	%
Ownership	Ownership	93	33.2	61	21.8	90	32.1	36	12.9	280	100
	Family ownership	31	37.3	18	21.7	26	31.3	8	9.6	83	100
Rental		52	50.0	20	19.2	23	22.1	9	8.7	104	100
Total		176	37.7	99	21.2	139	29.8	53	11.3	467	100

Source: authors' survey, 2014



Source: Modified from NSO, 2014

Note: Greater Bangkok= Bangkok Metropolis, Nonthaburi, Pathum Thani and Samut Prakan.

Fig: 4.4: Comparison of income distribution between owners of BEA and residents of the Greater Bangkok area

While most owners acknowledged that the BEA housing was very affordable, this may simply have been because many middle-income people could buy BEA housing under the relaxed eligibility regulations. In fact, according to Chanond (2009), 45% of applicants for BEA housing were rejected. The strict GHB policy of income certification and documentation requirements resulted in limited access for potential homebuyers. The approval rate of GHB was reported to be lower than the NHA had expected. The GHB and GSB avoided taking too much risk with non-performing loans.

(3) Housing opportunities realized by BEA housing

What kind of housing opportunities did the BEA housing program realize in the BMR? Here, we would like to clarify this issue by examining: (1) improvement in housing conditions compared to previous housing; and (2) housing alternatives if the BEA housing program did not exist.

a) Improvement in housing conditions

BEA housing owners/renters reported many changes upward in terms of tenure status compared to previous housing; 58.6% of residents said their housing status had changed for the better, while 28.9% had kept the same status with ownership (10.9%), family ownership (5.6%) or rental (12.2%), and only 12.4% reported a downward change. 49.2% achieved ownership from rental, squatter, family ownership, hire- purchase or other through the BEA program, and an additional 8.5% shifted to family ownership from rental, hire-purchase or other (table 4.6). Of course, household income had an influence on such trends. As usual, the higher-income group could more easily access homeownership and enjoy an upward trend in housing tenure through the BEA program (table 4.7).

Table 4.6: Change in housing tenure of the BEA housing residents

Previous housing tenure	Present housing tenure (BEA)							
	Ownership		Family ownership		Rental		Total	
	N	%	N	%	N	%	N	%
Squatter	12	2.6	-	-	1	0.2	13	2.8
Renter	129	27.6	33	7.1	57	12.2	219	48.9
Hire purchaser	9	1.9	1	.2	-	-	10	2.1
Family ownership	63	13.5	26	5.6	22	4.7	111	23.7
Ownership	51	10.9	17	3.6	17	3.6	85	18.2
Other	17	3.6	6	1.3	7	1.5	30	6.4
Total	281	60.0	83	17.7	104	22.2	468	100.0

Source: Author, 2014.

Table 4.7: Change in housing tenure of BEA residents by household income

Household income (Bt./month)		Upward %	Same %	Downward %	N	% Achieving ownership*
Lower income	Less than 20,000	51.2	31.8	17.0	176	70.5
Lower Middle	20,000–24,999	54.5	34.3	11.1	99	79.8
Middle	30,000–39,999	68.4	22.3	9.4	139	83.5
Upper Middle	40,000+	66.1	26.4	7.5	53	83.0
Total	Total	58.6	28.9	12.4	467	77.7

Source: Author, 2014.

**Including family ownership.*

b) Housing alternatives without BEA program

Although the BEA housing program contributed to home ownership for the lower to upper middle-income groups in the BMR, somehow it did see, not have a great impact on the present owners sense of ownership. If they did not have BEA housing, only 8.3% of the owners said they would “give up home ownership,” while 36.3% said it “did not have much effect” (table 4.8). This suggests that the BEA housing program did not improve homeownership rates substantially, although it did make it possible for owners to achieve homeownership in a shorter period of time (36.8%), to purchase their own house more economically (9.1%), or to purchase a better house in terms of quality (9.9%), unit size (9.1%), or location (8.8%). This is understandable if we consider that the government subsidy rate (17% of the total value) was not that significant, and that the subsidy was used for on-site infrastructure and services. The different income groups reported quite similar tendencies.

Table 4.8: Impact of BEA housing program on residents’ housing conditions

	N	%
I must give up home ownership (without BEA)	31	8.3
It would take much longer time to achieve home ownership	134	36.8
Home ownership would be still possible, but with a lower quality house	36	9.9
Home ownership would be still possible, but in a more inconvenient place	32	8.8
Home ownership would be still possible, but with a smaller house	33	9.1
I could purchase a similar house/condo, but would pay a higher price	33	9.1
I would lose investment opportunity	5	1.4
Not affected much	132	36.3
Others	4	1.1

Source: Author, 2014.

In fact, we found there was a supply of low-cost housing with prices less than Bt. 500,000 in the BMR housing market during the period 2003–2012, according to data from the Agency of Real Estate Affairs (AREA) (REIC, 2015 and AREA). Even now, it is possible to find low-cost housing options such as condos in the existing BMR housing market. However, the BEA housing program provided the ownership option for house on land which aside from BEA housing the housing market lacked, although the supply was limited(table 4.9).

Table 4. 9: Housing supply in BMR (units)

Housing Price (Million Baht)	2003		2009		2012		2013	
	Units	%	Units	%	Units	%	Units	%
=<0.50	1,166	1.99	7,013	6.41				
0.50<-1.00	9,919	16.97	16,451	15.05	10,410	14.25	12,518	10.87
1.00<2.000	19,971	34.17	30,669	28.05	26,592	36.41	43,043	37.38
2.00<-3.000	9,227	15.79	22,083	20.20	11,924	16.33	25,340	22.01
3.00<-5.000	12,542	21.46	20,732	18.96	14,580	19.96	22,856	19.85
5.00<-10.000	4,456	7.62	9,402	8.60	7,996	10.95	8,539	7.42
10.00<-20.000	846	1.45	2,187	2.00	1,484	2.03	2,210	1.92
>20	327	0.56	794	0.73	51	0.07	632	0.55
Total	58,454	100.00	109,331	100.00	73,037	100.00	115,138	100.00

Source: AREA, 2015

4.2.5 Risks of populist housing policy

It is the nature of populist policy that it always needs a large political impact in the short term, basically within the regime of the cabinet. Because of the short of period of time to design the program, it is always come up with the poor policy which are often inefficient, poorly targeted, and very expensive (Manageronline, 2014). The BEA housing program was typical in this respect. Because Thaksin wanted strong support from the low-income group consisting of mass urban populations, he initiated the **“One Million House Program”** with subsidies, which included the BEA housing program. However, due to its large target, and ad hoc and urgent nature, the program was beyond the management capacity of the NHA. This is apparent in the fact that the original BEA supply target—600,000 units in five years—was much larger than the total NHA housing supply of 405,555 units since its establishment (1970–2003, or 33 years) (NHA, 2014). According to the NHA staff interview, the NHA did not have the staff or time to design, market, and test the program very well, due to huge and urgent supply target set by the Government.

In attempting to reach this very ambitious target, the NHA had to outsource many projects to private developers. Involving the private developers caused many problems mention below: (from the interview staff of NHA):

- Some developers created pseudo demand by hiring households to register in their project areas.
- Some developers had good connection with the politician and could get the project to build the house without qualify (or capacity to build) then they sub contract to other company to build to get the overhead cost.
- Due to the capacity of some small developer or constructor company, many of them leave the project before it finished

Even though the NHA set criteria for selecting qualified private developers, looking at their company profiles, financial statements, and the demand for proposed projects. As the management capacity of the NHA was limited, the staff could not verify the developers' claims. This may have cause the over-supply of BEA housing, in addition to developments in wrong locations and many unfinished units remain.

Corruption was another issue for the BEA program. The National Anti-Corruption Commission found that the NHA was forced to buy land at prices higher than the market value by private developers who had close relationships to politicians (Manageronline r, 2014). Some developers forced the NHA to approve proposed projects using their political influence, paying politicians Bt. 5,000–10,000 per unit for the commission (Thairathnewspaper, 2014). These projects were largely inappropriate, resulting in many unsold BEA units and huge losses for the NHA. With a supply target so far beyond its management capacity, the NHA was obliged to seek private involvement in the BEA housing program, opening the door to political corruption due to insufficient monitoring and control of the project.

The issue of affordability in terms of the originally targeted group also contributed to the problem of unsold units. The low-income group often could not meet the loan criteria and procedures such as way to pay for monthly installment, history of creditability because the poor did not pay tax therefor they did not have any legal documents to show. Although the NHA had an agreement with the GHB to support loans for the LIG, the GHB used the same criteria as commercial banks to qualify applicants and procedures. This made it

difficult for the low income group to access GHB loans. Due to the lack of coordination with the GHB, many loan applications of low-income people were rejected.

To cope with these problems, the NHA had to reduce the supply target from 601,727 to 281,550 units, and relax the income ceiling of BEA applicants from Bt. 15,000 to Bt. 40,000. Although relaxing the income ceiling worked to increase the demand for BEA housing and helped the management of the program, it allowed for the middle- or even upper middle-income group to access BEA housing, which was not the original intention. Indeed, the relaxation amounts were much larger than the increases in household income in the BMR. Why did the NHA have to do such a thing? It reflected how seriously the NHA stood on the edge of a precipice. As Public Enterprise Law dictates that the government must shut down public enterprises that operate with a budget deficit for more than three years, the NHA's serious financial situation meant that it faced the pressure of being closed down. Moreover, relaxation of the income ceiling raised the issue of fairness in terms of subsidy allocation. Many middle-income people enjoyed the subsidies, while many lower-income people could not access them due to their lower credit rating or housing loan.

What can we learn from the BEA housing policy experience? Fig 4.5 clearly indicates the risks of this populist housing policy. The nature of the populist policy created management problems and the countermeasures introduced to correct these problems led to changes in the beneficiaries and unfair subsidy allocation. The difficulty of home ownership remains a housing issue for the low income group.

This policy evaluation indicates a direction for modifying the home ownership policy for the low income group. The government should invest a much larger budget in guaranteeing housing loans for this group. It is difficult to proof own financial creditability based on tax payment or wage certification for the low income group working in informal sector, so that the government should provide a guarantee for loan arrangement to the GHB through alternated credit inquiry . The government should not set the housing supply target beyond the institutional capacity, and should not relax the application criteria for beneficiaries so much. Then NHA could manage the BEA housing program more effectively to support home ownership for the low income group.

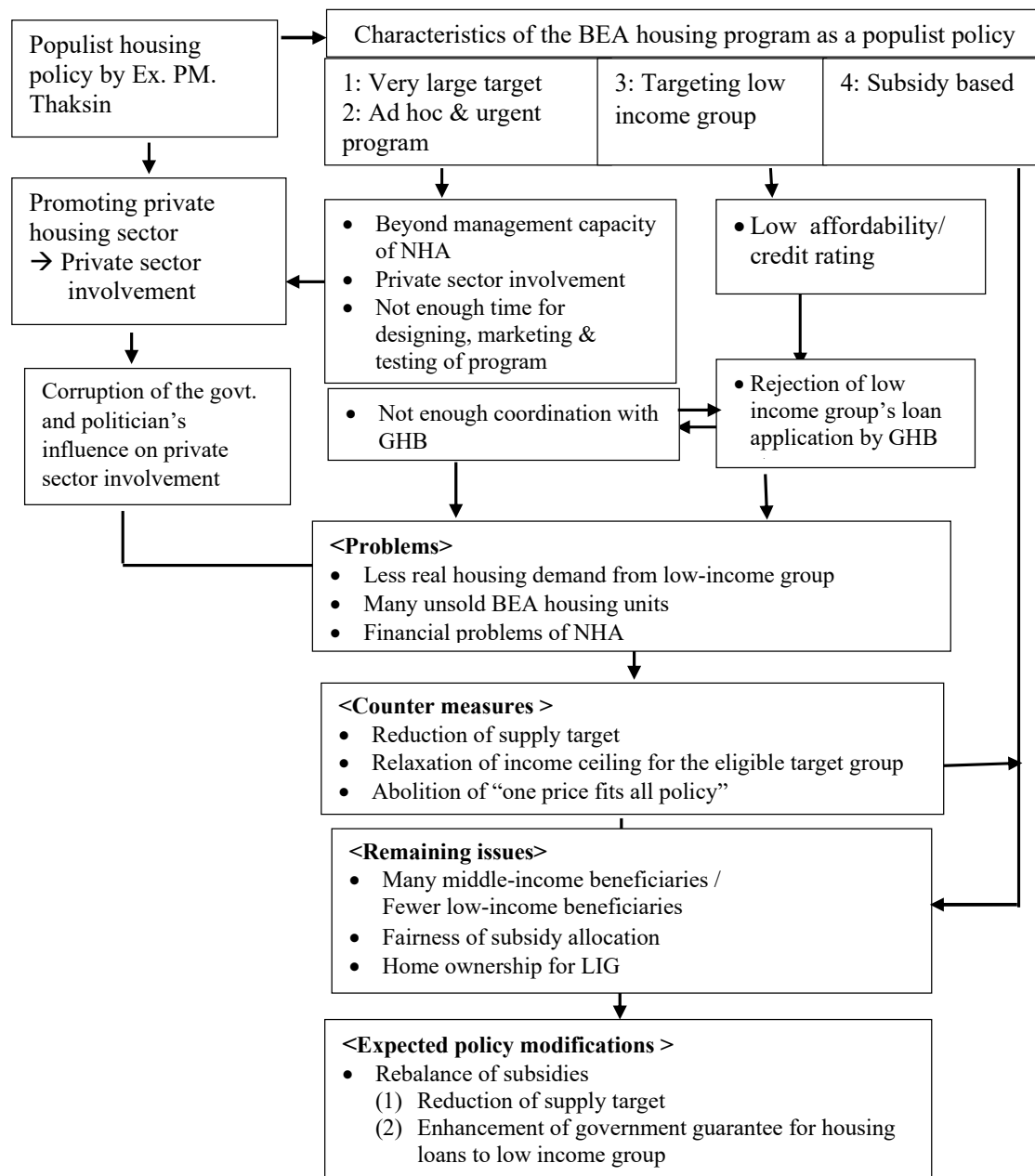


Fig. 4.5: Risk of populist housing policy in BEA program

4.2.6 Conclusions

Despite the populist nature of the BEA housing program, the government challenge remains to resolve the housing backlog issue for the low income who left behind in the nation economic growth. The BEA housing program had a quantitative impact on the low-price housing market in the BMR. The program supplied 171,862 housing units in the BMR, and had an almost one-third share of the low-price housing market in the BMA, and a bigger share in the surrounding vicinity during the period 2006–2012. There were many improvements for residents in term of tenure status through the BEA housing program, compared to previous housing. Residents' overall satisfaction with BEA housing was quite high.

However, BEA housing could only partially resolve the backlog issue for the low income group. Of the owners of such housing, 34.1% and 21.8% belonged to the lower- and lower middle-income groups, while 32.0% and 12.1% belonged to the middle and upper middle-income groups, which was quite far from the initially targeted group. Moreover, 22.2% of the units have been rented out.

The reasons for these failures in the BEA housing program are related to the populist nature of its policy, and are as follows.

(1) We can observe four structural risks in the populist housing policy. First, a large and urgent policy target beyond the management capacity of the implementation agency leads to mismanagement of the program. Second, it might not have been realistic to build a large number of affordable housing units, because the government then had to reduce the subsidy per unit under given budgetary limitation, which made the housing unaffordable for the LIG. Third, the populist housing policy set its supply target based on housing need which is the number of households that do not have access to accommodation that meets certain normative standards of the government rather than demand which is a market driven and relates to the type and number of houses that households will choose to occupy based on preference and affordability, and so tended to create a housing surplus. And fourth, private sector involvement under the populist housing policy invited the risk of government corruption and influence by politicians and their cronies.

(2) Due to the populist nature of the housing policy, the NHA faced severe management crises, such as the surplus of unsold units that forced the deregulation of the income ceiling for eligible applicants.

(3) The deregulation of the income ceiling for eligible applicants opened the application process to the middle-income group. As a result, the BEA housing program lost significance as a low-income housing policy. The BEA program thus changed from its original mission as a home-ownership program for low-income people to something that improved housing for the lower- to middle-income groups. As there were already many affordable housing options for the middle-income group in the housing market, the new opportunities for home ownership created by the BEA housing were quite limited. Only 8.3% of owners would have had to give up home ownership without the BEA housing program.

(4) The issue of the fairness of the program remained, because many relatively higher income groups enjoyed the government subsidy, while many low-income households, the originally targeted group, could not.

What are the lessons to be learnt from the BEA housing program in Thailand? Keeping the risks of a populist housing policy in mind, the government must introduce a more permanent housing policy for the low income group. Revision of the BEA housing program must include the following points:

(1) An appropriate supply target based on the management capacity of the implementing agency and real housing demand of the target group.

(2) Support for the low income group in accessing housing loans through a government guarantee.

(3) Given the budgetary constraints of the government, rebalancing the cost of the program by reducing the total amount of subsidies on infrastructure development through reduction of the supply target and increase of the budget allocation to guarantee housing loans for the low income group.

The government will then have an improved ability to manage the affordable housing policy for the low income group.

4.3 An evaluation of Baan Mankhong program

4.3.1 Introduction

Beside the BEA program under the million housing program of Prime Minister Thaksin, there is another program called “**Baan Mankhong (BMK)**” or secure housing (in Thai). While BEA implemented by the National housing authority (NHA) but BMK implemented by the Community Organizations Development Institute (CODI). The approach of BMK focused on the participatory process which different from BEA due to the view of CODI which seeing that the Thai housing policy in the past fail because of very centralized, hierarchical structure, focused on (frequently unfeasible) construction targets and seeing the poor as beneficiaries, rather than forging a relationship with them: the formal housing system was pinched against the informal culture, with no social dimension to housing policies (Archer, 2010). Therefore the approach of BMK changed from supply side to demand driven.

The target of BMK was “cities without slum” within five years, across Thailand. However after the Prime Minister Thaksin was exiled BMK still continue. From 2003-2015 there were 1,817 communities and 97,781 households benefited from BMK program.

Table 4.10: The implementation of BMK from 2003-2015

Regions	Provinces	Towns	Project s	Communitie s	Household s	Budget for infrastructure (Million Bt)	Subsidy (Million Bt)	Budget for administrative (Million Bt)	Total (Million Bt)
BMR	5	68	233	334	29,760	934.28	339.9	39.39	1,313.57
Central	9	40	82	171	8,022	310.33	170.1	13.37	493.8
Western	6	23	35	53	3,405	148.16	72.42	7.23	144.93
Northern	13	36	120	375	10,509	362.09	188.19	17.42	567.71
North- eastern	18	57	262	469	23,506	783.11	434.19	33.51	1250.83
Southern	14	50	140	233	15,359	480.87	289.64	21.73	792.26
Eastern	8	38	61	172	7,220	295.84	125.75	12.26	433.86
Total	73	312	933	1817	97,781	3,314.72	1,620.22	144.93	5,079.88

Source, CODI, 2017

Thavi Bhatkai and Puala Lucci (2015) pointed that there are 4 main factors that contribute to improve the living condition of the poor through BMK program

- 1) Community –driving slum upgrading. Possibly BMK’s design is high degree of participation by communities to seek for benefit. Therefore, in BMK program the community has to involve in all phases of upgrading: design, implementation and funding.
- 2) Intuitional and financial capacity. CODI has operated in a manner that seek to strengthen community organization and civil society when managing community welfare and housing program (Yap and De Wandeler, 2010).
- 3) The role of CODI. The basic function of CODI work throughout two mechanisms: at the administrative level, alongside relevant local and state authorities it advocated security for poor communities, developing cooperation between community and government at the city level through Baan Mankhong sub-committee. At the community level CODI works to empower community networks through participatory process by mobilizing community organizations, generating saving groups and coordinating upgrading activities with technical partners through city development committees. This institutional arrangement provide the vertical linkage for poor urban communities to access and relate to

government agencies as well as horizontal working relationships and coordination between communities, helping to strengthen community networks.

- 4) Political commitment and leadership. After the economic crisis of Thailand the populist policy was introduced by, the former Prime Minister, Thaksin Shinawatra. After he won largest victory election in 2001, he introduced a promise of universal access to health care, farmer debt moratorium, community level soft loan, and housing for the poor (Thavi Bhatkai and Puala Lucci, 2015 p.25). His political commitment has affected through both BEA and BMK. The first director of CODI, Somsook Boonyabancha, play every important role for the intuitional shift (Usavagovitwong, 2012 p.19).

4.3.2 An evaluation of Baan Mankhong program from different points of view

There are many studies on BMK program in the different points of view but these studies try to evaluate the BMK program by reviewing the papers and books and interview some stakeholders to see what were impacts of BMK. The studies found that BMK has advantages and disadvantages as follow:

1) Advantages

- Giving the security of tenure to the poor. From 2004 to 2014 BMK provided security of tenure and loan for housing and infrastructure improvement for more than 96,000 households (CODI, 2014) in the nationwide. Form their interviews of the beneficiaries said that BMK could solved the problem of security of tenure. However, there are often differences in terms of tenure arrangement based on land owner where the poor settled in the case of public land, authorities cannot sell it but often made the long term leasing (Yap and De Wandeler, 2010). The Study of Archer (2010) also found that many poor feel secure because there is no fear of eviction which gaining official status as the government tenants means that the poor are no longer at the pile so the perception of security of tenure reflects on a degree of adaptive preferences, as they are realistic about what is feasible. Having faced the possibility of eviction for many years, they accept the new tenure status is unlikely to be permanent, but better than nothing. However, there is still the question remains whether the poor will desire to more, having demonstrated their capacity to negotiate leases and build new home. Moreover it will combined with the increased of sense of security, however short or long term, help to ensure the sustainability of these new home? The degree of sustainability depends in part on the community capacity for the collective action, both at the community and network level (Archer, 2010).
- Improvement of housing and living conditions: BMK has helped to contribute material and funding to the poor to improve their house. As September, 2015, more than 97,000 households have been upgraded via BMK program. In addition the community can also use the money from BMK program to build the common space which they called “central house” for the disable, elderly people or the household who cannot afford to build a house.

Wider progress. Thailand Development Research Institute evaluated BMK program in 2011 and found that the household in BMK program could access to credit and increased investment in business and employment. Household also reported the lower for non-housing and business activities, possibly due to improving of their financial management capabilities through participation in community saving activities, Moreover, tenure security has helped some gain formal sector

employment for the first time because many employers require a formal address (Thavi Bhatkai and Puala Lucci, 2015)

2) Disadvantage

(1) Structural limitation

- BMK did not prevent new slum because BMK reacted on existing slum and allocate fund to assist the poor who faced eviction. Thailand never have an explicit long term national housing policy (Na Thalang, 2007, Prachuabmoh, 2007 cited in Thavi Bhatkai and Puala Lucci p.28).
- BMK might face the shortage of funding. In 2009 Chanond estimated that to reach the target of 200,218 units, BMK would need additional loans of about Bt 15,000 million (about \$US 428 million) or about Bt 2,140 million annually over the next seven years. CODI's remaining capital funds are insufficient to support these future requirements. Funds from other sources must be mobilized. Currently, only Bt 500 million has been committed from GH Bank and no other public or private financial institutions have shown interest. Local banks are reluctant to join the program because they are still unfamiliar with community-based lending and its conventional high credit-risk perception (Chanond, 2009, p. 39).
- BMK might face the difficulties to find the land for the poor because land in the urban area is very scarce with the pressure of development. However, BMK program always pick the low hanging fruit which they always incorporate with Treasury Department and the Crown Property Bureau which the majority of public land owners which able to lease the land for the poor as long term basis (Yap and De Wandeler, 2010), which eased the granting of security of tenure, a cornerstone of the program (Thavi Bhatkai and Puala Lucci, 2015 p.26).

(3) Operational limitation

- Not all the poor benefit from BMK program because in the community, there are not homogenous in the community. In the community here are richer and poorer, therefore, the need of housing might differ from the different of affordability. Some of the household prefers to rent rather has the burden to repay the housing loan. While the richer might have more options for their house than the poorer. Moreover, the process of BMK required time for participation while the poorer might busy with their work, therefore, the decision might not come from all members.
- BKM program cannot help individual poor because the criteria of BMK needed to form the saving group to prove the capability for saving and financial management.
- BMK against some rules and regulations of urban planning. There are many houses and plots less than the minimum requirements for each exterior and minimum distances between buildings. Such requirements are not practical for low-income housing because of limited land. However, in 2007 the government has agreed that some exemptions are needed for low-income projects. Other laws relating to the environment, the Land Subdivision Act and the City Planning Act also have to be modified for the implementation of BMK (Chanond, 2009, p.39).
- The transparent of the project. In BMK program the committee leader and member or cooperative if the leader or the member defraud the project might collapse. For example BMK Ruam Samakee, the cooperative was collapsed because the

community leader betrayed as some member said “*we were the poor we did not know so much about the cooperative so we trusted our leader. Then he took our money and the cooperative collapsed because we could not find the money for our balance sheet.... Now we still don’t know what going to happen because the land owner will not continue our leasing contract till we solve problem and set up the new cooperative*” (interview the community member of BMK Ruam Samakee, 2017). It was also happened to BMK Bon Kai when the community leader and member took some money from the cooperative and the CPB had to help them to manage to balance sheet of their bank account (interview the community member of BMK Bon Kai and staff of CPB, 2017). While BMK Bang Bau, one of the first pilot projects of BMK, households in the community was divided into two groups (pro the community leader and against community leader) because someone said the leader was not transparent (interview the community member of BMK Bang Bau, 2016)

(4) New challenges

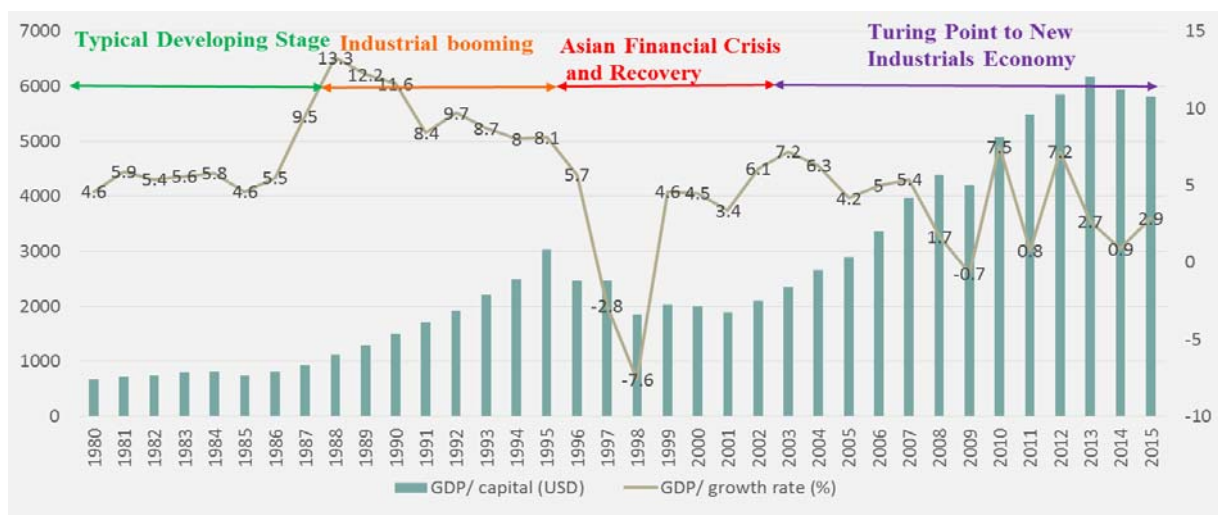
- There is still the question for role of housing cooperative after all households finished the repayment. After all the households member finished the repayment and get all the housing title in case of public land or land and housing title in case of private land.
- The BMK always focuses on the physical such as housing, infrastructure but the sustainability of the poor also depends on socio-economic. If the poor cannot repay for the housing loan the project might collapse. Now a day the CPB, the big land owner, tries to launch the new project under BMK project which giving some space for community-shop to sell some product to generate more income to the community (staff of CPB, 2017)

Chapter 5

Transformation of Socio-economic Characteristics and Housing of the First Generation of Urban Poor and Their Children

5.1 Introduction

Thailand has been developed from agrarian country to industrial booming then the financial crisis hit and recovered and became the turning point to new industrials economy and enters to aging society. During 1986-1994 Thailand was the fastest-growth economy (World Bank cited by Pongpauchit, 1996). An average GDP growth rate from 1986- 1995 was 9.4% and the highest was 13.3% in 1988 (NESD, 2016). There were two external factors that made the Thai's economy booming during 1986-1995; 1) the Plaza Accords in 1985 which made Dollar depreciate and made the benefit for the Thai's export, and 2) Foreign Direct Investment (FDI) from the relocation of the industry production from Japan, Taiwan and Hong Kong whose currencies had been rising and needed to find new locations that were more cost-effective (Jitsuchol, nd).



Source: NESDB, 2016

Fig. 5.1: GDP per capital and GDP growth rate in Thailand during 1980-2015

The Shift of Industries required the urban labors during 1984-1993, the number of working labors in industry increased from 2 to 4 million (Pongpaichit, 1996). An average Gini coefficient of Thailand from 1988- 1995 was 0.51 (NSO, 2015). Inequality have led to massive migration. The rural labors were pool to urban area especially Bangkok Metropolitan Region (BMR). Many migrants find housing in informal settlements where they join Bangkok-poor. The way Bangkok developed has greatly influenced how and where informal settlements emerged (Yap and Kittima, 2016). Before the economic booming majority labor regardless BMR natives and migrants were low education, they had to start from working as informal labor and many have to live in illegal or informal settlements to save all their cost and consolidate their life for the better condition for themselves and for the future of their children. Although the economic development might give them and their children opportunities to go upward, however, because lacking of education they might be left out of Thai economic growth.

This study tried to explore how the first generation of urban poor in BMR who entered the labor market before Thailand shifted for the industrial economy, have consolidated their socio-economic conditions during and after the economy booming. How their children's condition changed in term of the socio-economic and housing situations and what were the factors influenced including transformation of socio-economic development, land and housing market and housing policy in BMR. In addition, Thailand enters to the absolute aging society so that we also looked at the aging life and its expectation of the first generation of urban poor as well.

5.1 Definition and analytical framework

1) Definition

This study defined the first generation of urban poor (hereafter called the first generation) as follow; 1) the one was born before 1960 and started working in Bangkok Metropolitan Region (BMR) before the economy booming in 1990s, 2) has education with junior high school or less, and 3) used to work as informal sector or engaged in the simple wage worker. This study defines the children of the first generation of urban poor as the second generation.

2) Analytical framework

This study tried to examine the transformation from the first generation to the second generation in term of the socio-economic and housing situations for housing condition, the study considered the living condition in which living together or living separately. It began from the definition of the first generation and investigated their socio economic and housing situation in different low income communities. Although one of objectives of this study was to investigate the socio-economic and housing conditions of the second generation, but it was hardy find the second generation directly. Therefore, this study started with the first generation and got the information of their children from them. One of the criteria for the respondent is they have to have at least one child in the working age which this research could examine his or her socio-economic and housing situations and how the second generation supported their parents. Then compared the differences between two generations that was going upward or down or same and what the factors behind such as affordability, government housing program and the children's support which also influent to the aging life of first generation and their expectations.

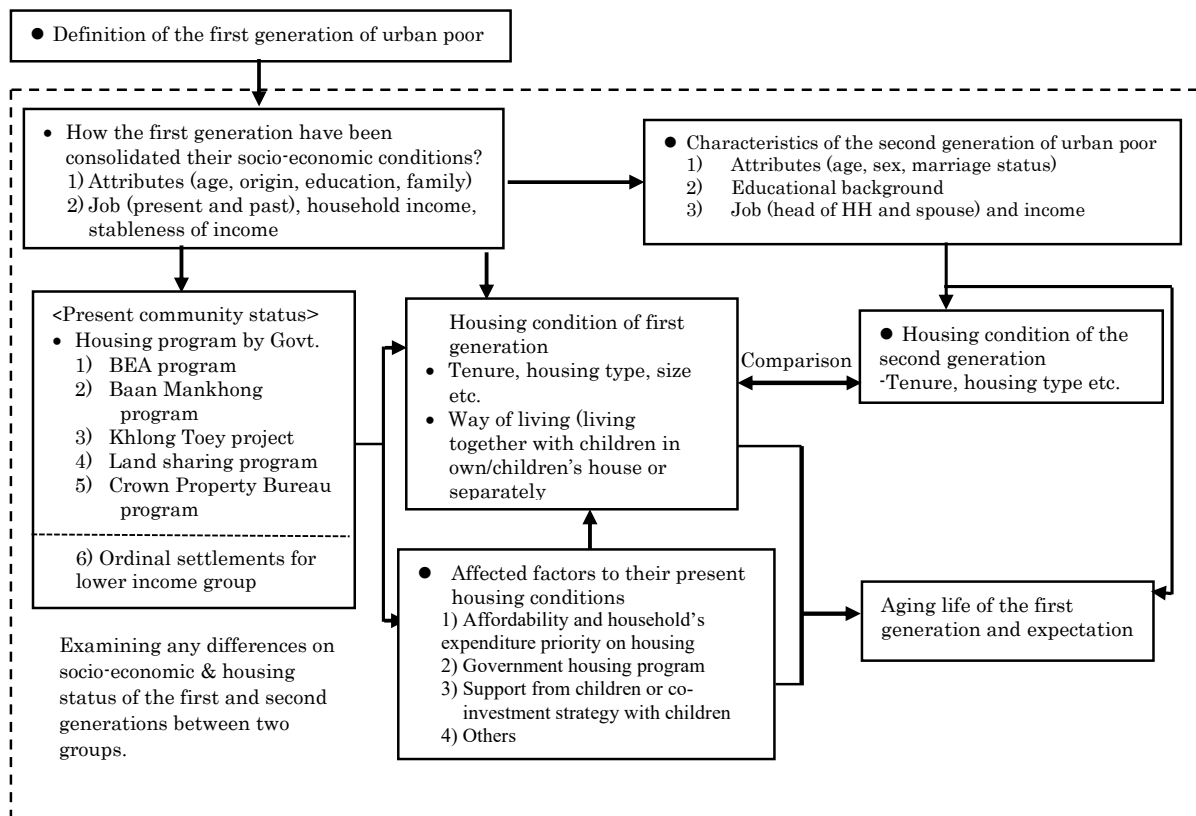


Fig. 5.2: Logical framework

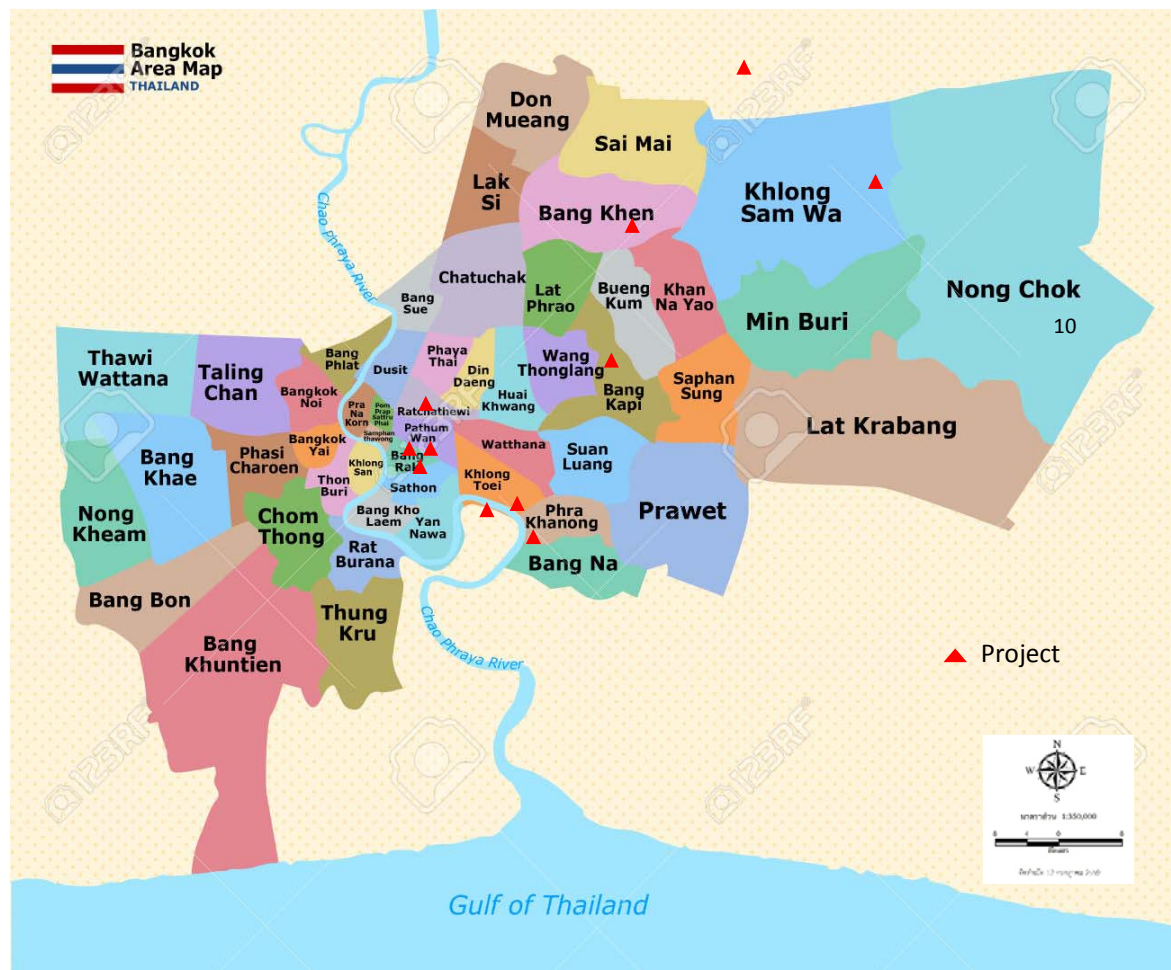
3) Objectives

- 1) To examine how have the first generation been consolidated their socio-economic and housing conditions and identify what are factors that have influent on the socio-economic and housing conditions of the first generation of urban poor
- 2) To explain the transformation of socio-economic and housing status over generation and explore what are factors that have influenced on the transformation of socio-economic and housing conditions of the second generation of urban poor.
- 3) To investigate what kind of supports from the second generation to the first generation and their expectation for their aging life.

5.3 Research methodology

5.3.1 Survey area

Although one of objectives was to explore socio-economic transformed between the first generation and second generation, but it was very difficult to find the second generation in BMR without the information from the first generation, therefore, this research decided to get (indirect) information of the second generation of urban poor through their parents. Regarding to the site selection the study tried to select different characteristics of each community such as land owner, location, housing program and government's policy intervention to see the impact of housing program which reflected of with or without housing policy to the transformation from generation to generation (figure 5.3 and table 5.1). The survey was conducted during January –February, 2016.



Source: https://www.123rf.com/stock-photo/bangkok_map.html

Fig. 5.3: Project location

Table 5.1: Project, location, major characteristics, program and, sample size

no	Project	Land owner	Location	Major characteristics	Program	No. sample (%)
1	Pom Prakan	BMA	Old city center of the BMA	Old settlement , under big forced of eviction	Ordinal settlements for low income group	12 (2.7%)
2	Wat Saket	Wat Saket temple	Old city center of the BMA	Old settlement	Ordinal settlements for low income group	27 (6.3%)
3	Bon Kai	CPB	City center of BMA	Huge slum in the prime area of BMA .There was fired more than 10 year then CODI proposed Baan Man Khong program	Ordinal settlements for low income group	32 (7.4%)
					Baan Man Khong	15 (3.5%)
4	Nang Leang	CPB	Old area of BMA	Old settlement nearby old market, now the area is waiting for the redevelopment project because it will be new MTR line passing	CPB with some upgrading	58 (13.4%)
5	Sam Sen	CPB	Old area of BMA	Old settlement next to the river and hospital	CPB with some upgrading	53 (12.3%)
6	Khong Toey	PAT	City center of BMA	The biggest slum in Bangkok with long history and there were several upgrading projects	Several housing programs	49 (11.3%)
7	Pai singto	CPB	City center of BMA	relocated from opposite site	Land sharing	41 (9.5%)
8	Bang Bua	The Treasury Department	Middle suburb of BMA	They were squatted along the khong then CODI proposed Baan Man Khong and relocated them this area	Baan Man Khong	49 (11.3%)
9	Mahad Thai	Housing cooperative	Middle suburb of BMA	They were evicted from private land nearby	Baan Man Khong	33 (7.6%)
10	Keaw Pradub	Individual owner	suburb of BMA	The individual owner came from different place	BEA	27 (6.3%)
11	Khong 5	Individual owner	Vicinity of BMA	The individual owner came from different place	BEA	26 (6.0%)
Total						432 (100.0%)

Source: Author, 2016

- **The characteristic of each community**

The study selected 11 low income communities with different characteristics and history a below:

- **Pom Prakan:** the old settlement where is located on the land of the Bangkok Metropolitan Administration (BMA). It had long history fighting with the forced eviction since 1985 because the land owner wanted the land to develop for the public park. More than 90 % of the household stayed in the community before the economic boom in 1990s. In term of security of tenure was very low because they have to fight with eviction for long time. Most of them work as informal business or housewife.
- **Wat Saket:** the old settlement where is located on the land of Saket temple. Some of the households paid rental fee to abbot while some never paid. More 96 % of them moved to the community before the economic boom in 1990s. Even the one who did not pay the rental fee they felt secure because they lived there for long time and the abbot was so kind to them so they were never worry about any eviction More than 80 % of the first generation were more than 65 year old and worked as informal business and unemployment.

- **Bon Kai** : the huge slum in the city center of Bangkok on the Crow Property Bureau (CPB)'s land. Area 12 rai, there were 1,190 households 5,950 persons in 2016. The CPB never collected the rental fee since 1973. Due to the huge land and located in the center of Bangkok and near the workplace like Port of Khong Toey in 1983 there were many people moved in. In 1993, there was the big eviction, NHA offered new location but the low-income wanted to stay. There were two times of big fires in 2001. The first time destroyed 134 houses and 333 households and the second time there were 20 houses and 120 households were damaged. After the long negotiation finally CODI helped the poor (200 houses) who affected to start Baan Mankhong program with 15 year leasing land from the CPB. While the remaining households still illegal occupied the land. According to the CPB, they said it was very difficult to plan in this area because the land was too big and the people moved in and out every day. CPB hired the university to conduct the survey two times but still did not know how many households lived there.
- **Sam Sen** The old community is located near the big market, hospital and government offices next to Cho Praya River. The land belongs to the CPB. In the past, the community was very well develop because in 1942 there was water supply and 1976 the road was changed from the soil into asphalt during 1967-1988 the market near the community was boom. There were several fires in 1964, 1977 and 1978. Due to the fire the CPB stopped collect the rental fee since 1985 so the households were worry about the eviction therefore they registered with BMA to recognize that they were exist. However, in 1992 the market was removed and CPB started eviction but the community protested. Nevertheless, the situation was unclear and many renters moved in during 1999. Finally in 2002 community started saving fund and wanted to join Baan Mankhong program but did not start yet. About 85% live there before the economic boom in 1990s work as informal business 32.1% and simple worker 30.2 %.
- **Khong Toey** was the biggest slum in South- East Asia and had the long history on fighting with evictions and slum upgrading. It is located on land of the Port Authority of Thailand (PAT). It composed with 26 communities occupied 400 Rai of 2,259 Rai of the total area. The development started when the government expropriated the land which was mostly of rice paddies and fields to extend the port at that time .There were many un-skilled labors moved in to work. During 1957-1968 there were many low income communities moved in because the surrounding areas were evicted. Because of evictions the household set up **“One Baht School”** in 1968 and Thammasat University started survey to know how many households were there. During 1972-1990 there were many measurements to fight with evictions such as set up committee, slum upgrading, infrastructure, water supply, and 20 years land leasing land. In 1976 the former Prime Minister visited Khong Toey, NHA started slum upgrading program, BMA gave temporally housing register and school. 1983 the politicians paid attention to Khong Toey because there were many house's registers and they could get more votes. The community working with 4 slum regions network with the slogan **“water supply, electricity services, no eviction and have housing register is the need of slum”**. In 1985 the low income in Khong Toey got more recognition because one of the residences in Khong Toey was elected as member of the district council. In 1987 NHA built flats for some households who were relocated within Khong Toey However, the evictions in Khong Toey never stopped during 1996-1999 PAT evicted the land on Khong Toeylock 7-12 and offered either land or flat at Wathcaraphon where it was very far away. Many households took rights then moved back to Khong Toey. In 2006 CODI

started Baan Mankhong program for the residences of Khong Toey lock 7-12 who did not get offers from PAT. More than 65 % of the first generation were unemployed and almost 94% were more than 65 year old. It is because they did not have skill and high education. Many of them work as the simple worker of PAT or the market nearby for long time.

- **Pai singto (land sharing).** The Pai singto community originally occupied vacant land owned by the CPB along Soi Pai singto, near the present-day intersection of Rama-IV Road and Rachadapisek Avenue, adjacent to the Rama-IV community. In the intervening years, development occurred all around the community as the area assumed strategic importance as a corridor between Sukhumvit Road and Rama-IV road and Klong Toey. In 1980 BMA wanted to construct the new road (Ratchada Pisek) pass the land of the CPB so CPB terminated all the rental contracts. The community was splited in two by the extension of Rachadapisek Avenue in 1981. In 1998, the community was relocated to a 26-floor high-rise apartment building and an adjacent 7-floor commercial building, to make way for the Queen Sirikit National Convention Center (QSNCC), the stock exchange of Thailand, and a subway station. Presently, there are a total of 380 units in both buildings, housing over 1,500 people. The 26-floor apartment building contains public space on the ground floor, a car park from the third to the eighth floors, and apartments from the ninth floor up. The third floor, originally designed for the car park, has been taken over by residents for small commercial activities, particularly food preparation. The commercial building contains shop houses on the ground floor and apartments on the upper floors. The shop houses accommodate small restaurants, grocery stores, rice sellers, and a mechanical workshop. Most residents of the 26-7 community buildings are engaged in general trades and services.
- **Nang Leang:** the old community was set up since King Rama 3. It is situated on the land of Area 6 -1 -65 rai of the CPB and near the big old market and the first theater in Bangkok. In 1983 there was the big fire which effected 30 households but many households came back with the new comers. In 1993 community registered with BMA. All of households had one year rental contract with the CPB and in 2007 the community set up the cooperative, preparing for Baan Man Khong but not yet implemented.
- **Bang Bua.** The old illegal settlement along canal (Khong) Bang Bua. In 1974 many households moved in the settlement became more crowded. 13 year later the community faced the eviction because the government wanted to use the land along the canal and the army wanted to use land to build flat for the soldiers. The government started the survey for all communities along the canal in 1988. The community fight with eviction. In 2003 the government started Baan Mankhong program and the community asked CODI to help and CODI started survey all the households, there were 2,881 households along the canal. CODI signed MOU with land owner (The Treasury Department), started saving group in 2005. The houses were competed in 2008 and all the residences moved in. Bang Bua was the first network of canal communities in Bangkok to successfully negotiate a long-term lease to the public land they occupy, under Treasury Department ownership. This lease could never have been negotiated by a single community, which had no

bargaining power. But as a network of 13 communities, and with the "network power" support of the city-wide network of 200 canal-side communities in Bangkok, Bang Bua was able to convince the authorities that redeveloping their communities in the same place is good for the people and good for the city as a whole. The 30-year renewable lease was key to long-term tenure security to these communities. After long negotiations, the people bargained the Treasury Department down to a rental rate of about 1 Baht per square meter per month, with adjustment for inflation every 5 years. This meant that each family had to pay between 40 and 70 Bt. (US\$2 - 3) in land rent every month, depended on the size of their house. Each family paid the cooperative, which then made a collective payment to the Treasury Department. The projects started in 2004 (source: CODI, 2005).

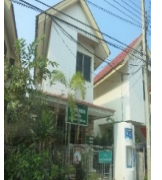
- **Mahad Thai:** There were many households evicted in 1993 from the Market in Bang Kabi (Soi Ladphew 112 or Bodindecha) where they stayed more than 20 years (1973) then they went to CODI and CODI advised them to form the saving group (2003) and finally they found the land which sold by the Thai Asset Management Corporation (TAMC) about 11 Rai -1200 m² and started Baan Mankhong. Because not all families moved to Baan Mankhong so there were some plots remained therefore CODI put other community to stay together. The total houses are 250 raw houses. All of them have to pay 2,300 Bt per month for 15 years which 2 % interest rate and 100 Bt for share.
- **Keaw Pradub:** One of BEA projects of the NHA, there are 240 houses (2 floor detached house) which completed in 2007. The sell prices is about 470,000 Bt.
- **Khong 5:** Other BEA projects of the NHA, there are 2 phases (there are 499 houses in the first phase which completed in 2005 sell prices is about 470,000 Bt while there are 493 houses which finished in 2007 sell prices is about 450,000 Bt (2 floor detached house).

Table 5.2: Housing tenure and housing type of each community

Community	Land owner	Major characteristic	Housing tenure	Housing type	Picture
Pom Prakan	BMA	Old settlement, pure squatter, forced eviction since 1985	Squatter (illegal land occupation) + own house =100.0%	- informal house =58.3% - Wooden tenement=41.7%	
Wat Saket	Wat Saket's temple	Old settlement, some squatter, no eviction	- Squatter (illegal land occupation) + own house =51.9% - Family ownership (rental land + own house)=22.2% - Rental House/Apt/room (Formal)=14.8% - Ownership (Rental land + Own house)=11.1%	- Informal house=37.0% - Shop house = 33.3% - Wooden tenement=18.5%	
Khong Toey	PAT	Huge slum, force eviction many time, several upgrading project	- Rental House/Apt/room (Formal) =40.8% - Family ownership (rental land + own house)=38.8 % - Squatter (illegal land occupation) + own house =14.3%	- Flat(condo)= 32.7% - Simple detached house (low cost)=30.6% - Wooden tenement=14.3% - Detached house / Semi-detached house=12.2%	
Bon Kai	CPB	Some squatter ,some eviction	- Rental House/Apt/room (Formal) =22.0% - Squatter (illegal land occupation) + own house =22.0% - ownership (land + own house)=19.5 %	- Informal = 27.3% - shop house =17.0% - Terrace house / Town House=17.0% - Flat (Condominium)=8.0%	
Pai singto		Land sharing, Relocation project, pure renter	Rental House/Apt/room (Formal) =100.0%	Low cost condo=100.0%	
Sam Sen		Old settlement ,some squatter and some renter	- Squatter (illegal land occupation) + own house =42.6% - Family ownership (rental land + own house)=36.2 % - ownership (rental land + own house)=17.2%	- Wooden tenement=49.1% - Shop house=18.9% - Simple detached house (low cost)=9.4%	
Nang Leang		Old settlement ,all renters with one year contract	- Family ownership (rental land + own house)=41.4% - Rental House/Apt/room (Formal) =39.7% - ownership (rental land + own house)=17.2%	- Shop house =65.5% - Wooden tenement=24.1% - Detached house / Semi-detached house =5.2%	

Source: author, 2016

Table 5.2 : Housing tenure and housing type of each community(cont.)

Community	Land owner	Major characteristic	Housing tenure	Housing type	Picture
Bang Bua	The Treasury Department	Baan Mankhong, Use to be long time squatter	- Family ownership (rental land + own house)=55.1% - ownership (rental land + own house)=34.7% - Rental House/Apt/room (Formal)=6.1%	- Detached house / Semi-detached house =77.6% - Simple detached house (low cost)=24.4%	
Mahad Thai	Housing cooperative	Baan Mankhong, Use to be long time squatter	- Family ownership (land + own house)=84.8 % - ownership (land + own house)=12.1 %	Shop house=100.0%	
Keaw Pradub	Individual owner	BEA, From several places	- Family ownership (land + own house)=70.4 % - ownership (land + own house)=14.8 % - Rental House/Apt/room (Formal) 14.8%	Detached house / Semi-detached house =100.0%	
Khong 5		BEA, From several places	- Family ownership (land + own house)=63.9 % - ownership (land + own house)=36.1 %	Detached house / Semi-detached house =100.0%	
Total			- Family ownership (land + own house)=25.7 % - Rental House/Apt/room (Formal) =25.5% - Squatter (illegal land occupation) + own house =16.9% - Family ownership (land + house)=16.7% - Ownership (Rental land + Own house)=10.4%	- Detached house / Semi-detached house =25.9% - Shop house=22.7% - Wooden tenement=15.5% - Informal house=9.7% - Low cost condominium=9.5% - Simple detached house (low cost)=8.3%	

Source: author, 2016

5.3.2 Questionnaire

The study used interview and structured- questionnaire as the research method to collect the sample from different communities to achieve objectives. The questionnaire composed with 5 parts as follow: 1) history of the first generation such as when they were born, where were their origin in BMR or other provinces, if they were not born in BMR when they moved to BMR, the year that they started working and when they married, the previous occupations, to know how they have consolidated their life, 2) the present situation in term of socio-economic and housing, 3) what was the support from their children and co-investment, 4) the expectation of their aging life, and 5) the information about their children in term of socio-economic and housing condition. Finally, there were 432 sets of valid questionnaire were collected from the heads of the household from 11 low income communities.

5.3.3 Limitations of the study

The limitations of this study were: 1) Due to the respondents were the first generation, the information about their children came through the first generation which this research did not know how precise of the information especially the second generation's opinions, their mindset and feeling, income and how the second generation consolidate their life, and 2) this study did not know so much about the history of the individual respondent before they moved to the present community especially in the new housing program like BEA and BMK, it might not effect so much on the life of their children because when the first generation moved there the their child (children) already growth up.

5.4 Socio-economic transformation over generations

This study tried to investigate how the socio-economic has been transformed from the first to second generations by comparing education and occupation between the first and the second generations and to explore what are the factors behind?

5.4.1 Socio-economic characteristic of the first generation

The majority of the first generation were younger than 65 year old (42.4%), 35.2% age between 65-74 years old and 22.5% older than 75 years old. More than half migrated from other provinces (55.1%) and 44.2 % were born in Bangkok Metropolitan Region

From the definition, the education of the first generation was lower junior high school or less. The majority (77.3%) of the first generation studied at primary level, 12.7 % studied in junior high school and only 10 % did not have any formal education

In term of occupation, 67 % of the first generation had experiences to work as the simple wage worker in non-manufacturing sector, 24.5 % used to work in informal business like hawker, street vender which not require high education and skill, 9% used to work as the factory worker, while only 3.7 % used to work as government/public wage workers

At the present, almost one third did not work or unemployment (in Thai Society, the word of retirement can be used for the one who used to work in the formal sector which paid the tax and the word of unemployment can be used for the one who works in informal business or own business) while 21.5 % of them still working in private simple wage worker (other sector), 21.1 % worked as informal business like hawker or street vender.

Almost half of their spouse already passed away (45.8%) however, for the husband or wife who was still alive 14.4% of their spouse worked as the simple wage worker (non-manufacturing sector), 10.4 % of their spouse worked in the informal business, and 10.2 % worked as housewife

For the economic situation of the first generation, although 36.1% had more than 2 income earners but 61% feel that they had stable income 50% of households earned less than Bt. 20,000 per month, which 2 times lower than average monthly household income in BMR (average monthly household income in BMR is 40,002 Bt per month).

The first generation had 3.1 children in average. Most (85 %) of the first generation live with their child, 44 % lived with children's family, 30.3 % lived with single children. An average family member was 4.2. Only 5.6 % of the first generation who lived alone and 7 % lived with their spouse.

Education is the basic requirement to access to the better job. Education has influent to occupations of the first generation. None of the first generation who did not have formal education used to work in the government or private skill worker while 9.1% of the first generation who studied junior high school got an opportunity to work in this sector. In contrast the percentage of the first generation who studied junior high school and worked in informal sector (21.8%) was lower than the one who had none formal education (34.9%). The percentage of the first generation who used to work in the small or medium business also relate to the education level. None of the first generation who had no formal education worked in this sector while the percentage was slightly increasing when the education was getting better.

Table 5.3: Education and previous occupation of the first generation

Education of the first generation	Previous occupation of the first generation															
	Govt/private skill workers		Factory worker		Un-skilled Workers		SME		Informal business		Agriculture		Unemployment		Others	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
No formal education	-	0.0	4	9.3	24	55.8	-	-	15	34.9	1	2.3	-	-	2	4.7
Primary	11	3.3	29	8.7	227	68.0	20	6.0	79	23.7	20	6.0	2	0.6	2	0.6
Junior high	5	9.1	6	10.9	38	69.1	6	10.9	12	21.8	1	1.8	-	-	-	-
Total	16	3.7	39	9.0	289	66.9	26	6.0	106	24.5	22	5.1	2	0.5	4	0.9

Source: author, 2017

5.4.2 Socio-economic characteristic of the second generation

There were 36% of the second generation age between 30s and 32 % age between 40s while only 14 % age between 20s, 71 % already married. The study found that about 40% remaining in the low education level as primary or junior secondary school, 12.1 % of them studied medium level as high school, 16.1% of them got better chance to study as medium to high education as vocational, college or diploma. Surprisingly, there were 31.5 % graduated from university, while none of them had no formal education.

In term of occupation, 35.4% worked in government/public or private sector which need some skill and education (26.0 % worked as the skill worker in private sector and 9.4% worked as government /public wage worker), 27.5% worked as simple wage worker (either service worker, transportation service or simple wage worker), and there were 16.1 % worked as own/family small scale business, while 5.6 % worked as informal business and 3.1 % did not work. An average household income of the second generation is Bt. 15,000 per month. Almost half of them (49.8%) earn less than Bt. 15,000 per month

• Education and occupation of the second generation

One of the factors which led to the upward of the socio-economic of the second generation was the education level. There were almost half (48.6%) graduated as the university level work as professional in private sector. On the other hand, 53% studied only primary level worked in simple wage worker while only 3.1 graduated from university worked in this sector. For informal business 10% of the one who studied only primary level while only 0.6 % of the one who graduated from university work in this sector

Table 5.4: Education and occupation of the second generation

Education of second generation	occupation of second generation																			
	Govt/private skill workers		professional work in the private sector		Factory worker		Un-skilled Workers		SME		Informal business		Unemployment		Others		Don't know		Total	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Primary	4	1.7	13	5.6	10	4.3	124	53.0	21	9.0	23	9.8	9	3.8	21	9.4	2	4.7	234	100.0
Junior high	8	3.9	34	16.7	11	5.4	85	41.9	28	13.8	15	7.4	4	2.0	15	7.4	2	0.6	203	100.0
secondary/vocational	24	7.7	71	22.7	19	6.1	82	26.2	63	20.1	22	7.0	11	3.5	18	5.7	3	1.0	313	100.0
University	68	19.4	170	48.6	5	1.4	11	3.1	64	18.3	2	0.6	8	2.3	18	5.7	4	1.1	350	100.0
Total	104	9.5	288	26.2	45	4.1	302	27.5	176	16.0	62	5.6	32	2.9	73	6.7	18	1.8	1100	100.0

Source: author, 2017

Remark: education and occupation of the second generation is associated with 1% significant

5.4.3 Transformation of the socio-economic over the generations

The education level of the second generation was much improved than their parents. A majority of the second generation graduated higher secondary/vocational/college (28.1%) or university (31.5%), while most of the first generation had primary education (77.3 %) or no formal education (10.0%). However, 40 % of the second generation still had the same level of education of their parents (at the primary or junior high school).

Table 5.5: Comparison education level between the first and the second generations

Education	First generation		Second generation	
	N	%	N	%
No formal Education	43	10.0		
Primary School	334	77.3	234	21.0
Junior secondary	55	12.7	203	18.3
Higher secondary/Vocational/college			313	28.1
University			350	31.5
Others			12	1.1
Total	432	100.0	1,112	100.0

Source: author, 2017

This affected on difference in occupation over generation. Occupation of the second generation was also better than their parents. 35.3 % of the second generation work as skilled workers in the government or in private sector while only 3.7 of their parents had experiences to work in this sector. Two third (67%) of the first generation used to work as simple wage worker while 27.5 of their children worked in this sector. For small and medium business the previous and the present occupation of the first generation changed slightly from 6.0 to 6.3 % and the percentage of the second generation worked as this sector was higher (16 %). There were only 5.6 % of the second generation worked in informal business whereas 24.5% of their parents used to work and the percentage of the first generation who were still working in this sector decreasing slightly to 21.1%

Table 5.6: Comparison the occupation of the first and the second generations

Occupation	First generation				Second generation	
	Previous		Present			
	N	%	N	%	N	%
Government/public wage workers / skill worker in the private sector	5	3.7	5	1.2	393	35.3
Private Simple Wage Workers (Factory)	39	9.0	2	0.5	45	4.0
Private Simple Wage Workers (other sector)	289	66.9	93	21.5	306	27.5
own/family small –medium scale business)	26	6.0	27	6.3	179	16.1
Informal business (hawker, street vendors etc.)	106	24.5	91	21.1	62	5.6
Agriculture	22	5.1	-	-	14	1.3
Unemployment	2	.5	130	30.1	35	3.1
Retirement			23	5.3		
Housewife			57	13.2	38	3.4
Others	4	.9	4	0.9	22	2.0
Don't know					18	1.6

Source: author, 2017

5.4.4 Factors behind the transformation

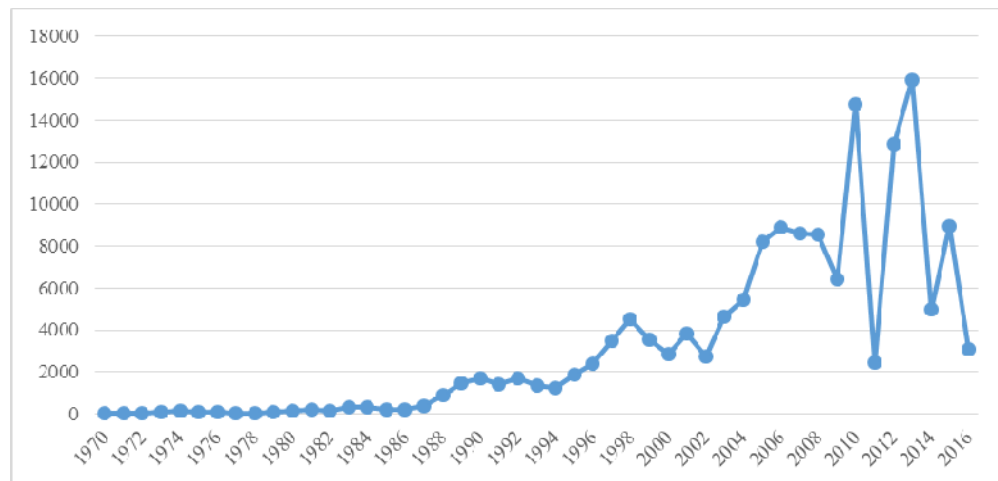
The study found that the socio-economic of the second generation is better than their parents. There are several factors behind.

1) The transformation of Thai Society

As Thai economy grew, money was abundance the Thai people could earn more therefore they could invest not only in term of physical like housing but also socio-economic like education.

- **Thai Economy**

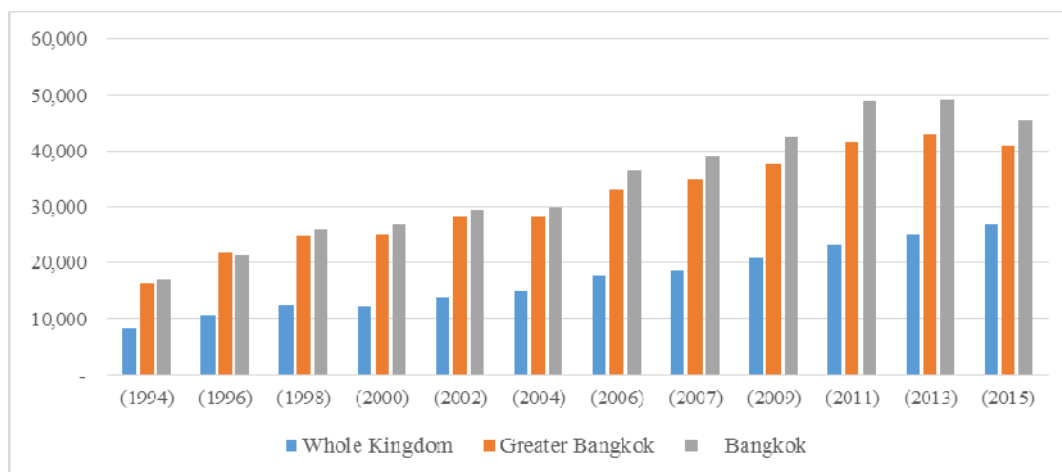
Thailand benefited a great deal from the Plaza Accord in 1985, because gluts of capital inflows from Japan in the form of foreign direct investment, as a result of surging value of yen, spurred up both investment and export activities (Siamwalla, A, Vajragupta, Y and Vichyanond, P, 1999) An average FDI during 1970- 1987 was not so high only 141.5 million USD per year. When the economic started booming in 1987 it was only 399 million USD and it is increasing very sharply to 901 million USD in 1988 and 1456.99 million USD in 1989. During 1989-1999 and average of FDI was 2,323.58 USD per year and it was highest in 1998 as 4518.06 million USD. The foreign investment inflexed to Thailand created job opportunity and productivity form 1987-1996 (before the economic crisis).



Source: Bank of Thailand, 2017

Fig. 5.4: FDI in Thailand 1970-2016

Average household income also increased and the average monthly income of the people in BMR was almost two times higher than the national average. When the economic boomed, it was not only developed in term of economy but also socio-economic. People have more money to spend and invest for their children education which including low income people.



Source: Bank of Thailand, 2017

Fig. 5.5: Average household income (Bt. /month)

- **Social development**

Thailand has been transformed not only in term of economy but also overall society. There has been a labor movement from the informal sector to the formal sector. Thailand becomes a more educated society. Workers with secondary or higher increased from 17 % in 1990 to 25 % in 2008. Nevertheless, workers with education elementary level or lower were still very high of 57.1 % in 2008, a reduction of 10.6 % from 1990 (Aemkulwat, C, nd).

The Education level of the people in Bangkok has been developed upward. In 1987 more than half (53.08%) of the people in Bangkok studied only primary level while only 18% of them graduated at the university level. Twenty years later, almost one third (32.31%) of the people in Bangkok graduated at university while there were 34.18 % studied lower than junior high school.

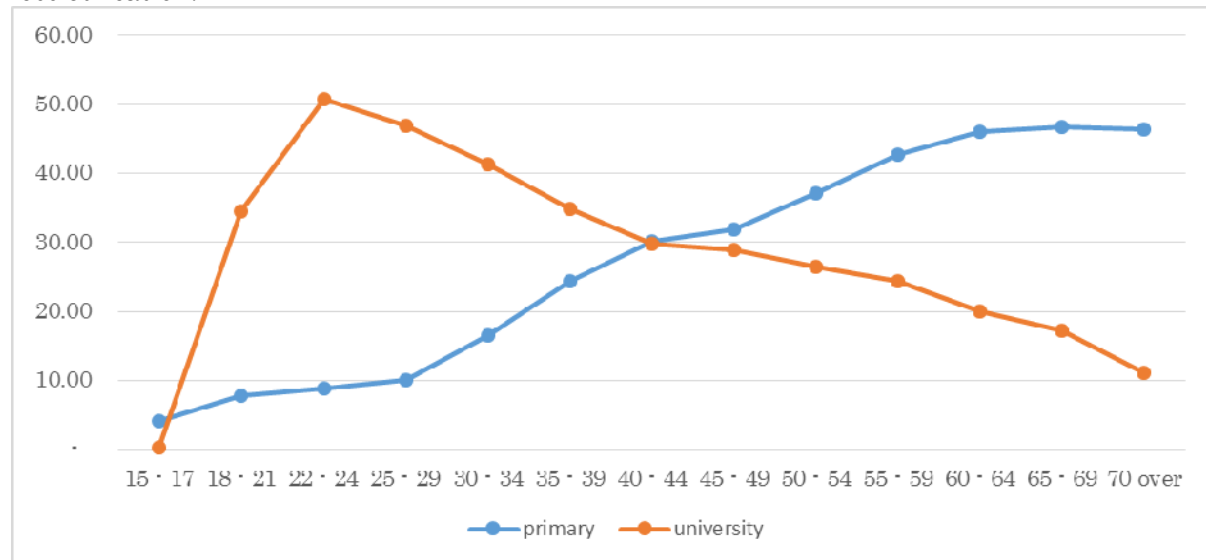
Table 5.7: Education level in Bangkok

Education level	1987	1997	2007
No formal Education	6.75	6.06	3.49
Primary School	46.33	35.48	29.69
Junior secondary	8.61	15.40	16.36
Higher secondary/Vocational/college	20.73	20.66	17.83
University	17.49	23.16	32.31
Others	0.08	0.01	0.04
Total	100.00	100.0	100.0

Source: NSO, 2017

Two main reasons for an increase the education level of workers were 1) Thailand needed more educated workers as the economy has become more industrialized where workers shift from the agricultural sector to manufacturing and service sectors and from the informal sector to the formal sector, and 2) the government increased the compulsory education from 7 to 9 years of schooling (equivalent to grade 9) in 2002. In addition, specified in the National Education Act of 1999, all individuals had rights to receive free basic education for at least 12 years from elementary to high school. This free education was extended to 15 years in 2009 from kindergarten to high school (Sampattavanija, S, nd)

If compared between people who studied at primary school with the one who graduate from university in different ages. This study found that younger had better and older has less education.



Source: NSO, 2010

Fig 5.6: Comparing of education level by different ages in Bangkok in 2007

As the socio- economic transformed, in term of education it was very clear that younger got better. Almost two third of the second generation who were older than 60 year old studied less than high school. In contrast, almost two third of the second generation who were 20-30 year old graduated from university.

Comparing with the average education level in Bangkok. In term of university level, the second generation still slightly left behind. Although, 31.5 % of them have university education.

Table 5.8: Comparison between education level of people in Bangkok and the second generation

	20S		30S		40S		50S		60S	
	BKK	2nd	BKK	2nd	BKK	2nd	BKK	2nd	BKK	2nd
primary	9.4	8.6	21.3	15.0	31.8	23.3	41.05	34.4	51.14	55.6
Junior	16.1	24.3	15.2	17.8	12.8	19.4	10.82	14.4	9.41	18.5
Higher secondary/ Vocational/college	29.1	29.6	23.4	32.4	25.2	27.2	21.46	26.9	18.54	7.4
University	45.4	37.5	40.1	34.8	30.2	30.1	26.67	24.4	20.91	18.5
total	100.0	100.00	100.0	100.0	100.0	100.00	100.00	100.10	100.00	100.00

Source: NSO, 2010

Even though, Dillaka, (2010) concluded that Thai labor force gained more education, however labor force who came from low income, low education families were still inequality in socio-economic laborer. They earned lower wage than those who graduated from reputation educational institutions. These significant phenomena insist that there were still inequality of education among education statutes and confirmed that not any kinds of education, but only quality education can somehow helped solve poverty. Nevertheless Thailand has applied 'education for all' and 'equal opportunity' concepts throughout the country, but in the reality, poorer children would be forced to attend only low quality schools while the rich families would send their children to high, reputation schools and most of them go to shadow schools to attend extra tutorial classes after classes.

Nonetheless, the study found that almost one third of the second generation have university level.

2) The internal factors

Not only the Thai economic had been transformed from the typical developing country to the industrial booming and now turning point to new industrial economy but also several internal factors which affected to the transformation of the second generation as follow:

- **Education of the first generation**

It was very clear that the education background of the first generation had influent to their children. The first generation who had junior high school education, 52.5 % of their children graduated from university while only 9.2% of their children studied either primary or junior high school. On the other hand, the first generation who had no education almost half of their children studied at only junior high or less. Although, 25% of their children graduated at university level.

Table 5.9 : Relation between education background of the first and the second generations

Education of the first generation	Education of the second generation											
	Primary		Junior secondary		Higher secondary/Vocational/college		University		others		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
No formal education	34	30.1	21	18.6	25	22.1	28	24.8	5	4.4	113	100.0
Primary	183	21.3	169	19.6	246	28.6	256	29.7	7	0.8	861	100.0
Junior high	11	9.2	11	9.2	35	29.2	63	52.5	-	-	120	100.0
Total	228	20.8	201	18.4	306	28.0	347	31.7	12	1.1	1094	100.0

Source: author, 2017

Remark: education of the first generation and education of the second generation is associated with 1% significant

- **Age of the first generation**

Age of the first generation was associated with the education of the second generation. For the first generation age more than 75 years old, the majority (55%) of their children studied lower than high school and there were 22.1% of their children graduated from university. In contrast, the first generation who were younger than 65 years old, higher percentage (36.0%) of their children graduated at university level while there were only 11.6% of their children studied primary school.

Table 5.10 : Age of the first generation and education background of the second generation

Age of the first generation	Education of the second generation									
	Primary		Junior secondary		Higher secondary/Vocational/college		University		Total	
	N	%	N	%	N	%	N	%	N	%
=< 64 years old	46	11.6	81	20.4	127	32.0	143	36.0	349	100.0
65-74 years old	77	18.8	73	17.3	116	28.4	143	35.0	409	100.0
>=75 years old	105	37.5	47	16.8	66	23.6	62	22.1	280	100.0
Total	228	20.8	201	18.4	309	28.5	348	32.0	1086	100.0

Source : author, 2017

Remark: age of the first generation and education of the second generation is associated with 1% significant

- **Origin of the first generation**

The origin of the first generation related to the education of their children as well. The second generation who their parents were born in Bangkok had better education than the second generation who their parents came from other provinces including vicinity. There were 13.2 % of the second generation whose their parents were born in Bangkok studied at primary level while the majority of them graduate from university (37.5%). On the other hand 24.8% of the second generation who's their parents came from other province study at primary level and only 30 % of them graduate from university. In case of the second generation who their parent came from the vicinity the majority (30.5%) of them study at primary school while 24% of them graduate at university. It might because the first generation who were born in Bangkok already settled down for long time so they might have network (the relative) to support them for better opportunity to get better socio-economic condition.

Table 5.11 : Original of the first generation and education of the second generation

original of first Generation	Education of second generation									
	Primary		Junior secondary		Higher secondary/Vocational/college		University		Total	
	N	%	N	%	N	%	N	%	N	%
Bangkok	51	13.2	63	16.3	128	33.1	145	37.5	387	100.0
Vicinity	32	30.5	21	20.0	27	25.7	25	23.8	105	100.0
Other provinces	149	24.8	118	19.7	156	26.0	177	29.5	600	100.0
Foreign country	2	25.0	1	12.5	2	25.0	3	37.5	8	100.0
Total	234	21.3	203	18.5	313	28.5	350	31.8	1,100	100.0

Source : author, 2017

Remark: origin of the first generation and education of the second generation is associated with 1% significant

- **Stableness of habitation**

Education level of the second generation is also associated with the timing that their parents moved to this present house. In case of the first generation who lived longer in the present house, their children got better education. There were more than 50% of the second generation graduate from university while only 5.7% studied at the primary school if their presents stayed in the present house since the beginning. It might because staying longer imply that their habitation is more stable.

Table 5.12: Year when the first generation moved to present house and education of the second generation

Year when move to present house of first generation	Education of the second generation									
	Primary		Junior secondary		Higher secondary/Vocational/college		University		Total	
	N	%	N	%	N	%	N	%	N	%
since the beginning	7	5.7	16	13.0	38	30.9	62	50.4	123	100.0
before 1980	39	15.1	46	17.8	63	24.4	110	23.8	258	100.0
1980-1999	63	26.3	46	19.2	66	27.5	65	27.1	240	100.0
after 2000	119	25.6	93	20.0	142	30.5	111	23.9	465	100.0
Total	228	21.0	201	18.5	309	28.5	348	32.8	1,086	100.0

Source : author, 2017

Remark: year when of the first generation moved to present house and education of the second generation is associated with 1% significant

- **Number of children of the first generation**

The number of children of the first generation effect to their children education. Almost 50% of the second generation graduated at university if their parents had only one child. While if the first generation had more than 5 children around 70 % of their children had a chance to study lower than primary and secondary level.

Table 5.13: Number of children of the first generation and education of the second generation

No of children of the first generation	Education of the second generation									
	Primary		Junior secondary		Higher secondary/Vocational/college		University		Total	
	N	%	N	%	N	%	N	%	N	%
1 child	6	9.8	11	18.0	16	26.2	28	45.9	61	100.0
2 children	23	11.3	40	19.7	68	33.5	72	35.5	203	100.0
3 children	44	14.1	61	19.6	98	31.5	108	34.7	311	100.0
4 children	53	22.9	37	16.0	66	28.6	75	32.5	231	100.0
5 children	29	20.9	29	20.9	38	27.3	43	30.9	139	100.0
>=6 children	77	55.0	22	15.7	22	15.7	19	13.6	139	100.0
Total	232	21.4	200	18.4	308	28.4	345	31.8	1,085	100.0

Source : author, 2017

Remark: number of children of the first generation and education of the second generation is associated with 1% significant

5.5 Housing transformation over generations

For the housing transformation over the generations, the study compared housing between two generations by using housing tenure, formality and housing type to see how it has been changed by different living conditions: living together own by parent, living together own by children and living separately.

5.5.1 Housing characteristic of the first generation

The security of tenure of the first generation seemed to be secure because more than 57 % had home ownership either ownership or family ownership (4.9 % owned house and land, 10.4 %, owned house but rented the land and 41.7% family owned) and 23.1 % rented house or apartment (formal). However, there were still 17.8 % of the first generation lived as squatter which squatted the land but owned house, and 2.1 % lived in informal rental house or apartment (table 5.14)

Around one fourth (26 %) of the first generation lived in detached house or semi-detached house. 22.7% lived in shop house while 10 % still lived in the informal house. For the structure and material, more than 70 % lived in permanent structure, however, there were still 25.2% lived in semi-permanent house (table 5.15)

One fourth of them lived in the area between 60- 79 m² (an average floor area is 64 m²), with 2 bed rooms and living room and utility. It might be because most of them lived with their child or child's family with the average 4 member. In term of utility, all of the houses had water supply and electricity. More than 98 % drainage system and almost 100 % had garbage collection but only 64 % can access by car.

5.5.2 Housing characteristic of the second generation

In term of housing tenure of the second generation, the majority of their housing tenure was home ownership either family ownership or own by themselves (53.6 %): own house and land (32.5 %) and own house but on rental land (6.5%), 14.6 % family ownership (either owned by parents or children). There were 29.0 % of second generation rent the house or apartment (formal). While there were only 9.2 % of them still lived as squatter.

For housing type, there were 36.6 % the second generation who lived in detached house or semi-detached house, 21.2 % lived in either flat (condominium) or apartment or low cost condominium or self-contained apartment, and 13.9 % lived in shop house. However, there were 5.9 % of them lived in wooden tenement / raw house / room letting and 5.9 % live in informal house.

5.5.3 Transformation of the housing over generations and factors behind

This study considered the only the second generation who live separately to avoid any overlap information because the information about housing tenure, formality and housing type of the second generation who live with their family belongs to the first generation.

1) transformation of the housing over the generations

It was very clear that the second generation got better off than their parents. Especially in term ownership the second generation who lived separately more than 52.7 % owned house (either own or rental land) while only 15.3 % of their parents owned house (either own or rental land) (in case of rental land is might because of the housing support program) and 41.7 % of the first generation had family ownership which 55 % of the family ownership owned by parents 55.0 % owned by children (either own or rental land). For rental house

or apartment (formal), the percentage of second generation who rented the house and lived separately (32.7 %) was slightly higher than the first generation (23.1%). In case of living together the percentage of the rental by the children (39.4%) was higher than rented by their parents (15.5%) Nonetheless, there were 17.8 % of the first generation still squatted land while only 1.2% of the second generation who lived separately live in illegal land (table 5.14)

Table 5. 14: Comparison housing tenure and formality of the first and the second generations

Housing Tenure and Formality	First generation		Second generation									
			live together						live separately		Total	
	N	%	owned by parents		owned by child		Sub total		N	%	N	%
Ownership (land + house)	21	4.9		-	37	26.1	37	8.5	320	48.2	357	32.5
Rental land + Own house	45	10.4	-	-	41	28.9	41	9.5	30	4.5	71	6.5
Family Ownership (land + house)	72	16.7	46	15.8	-	-	46	10.6	-	-	46	4.2
Family Ownership (Rental land + house)	108	25.0	114	39.2	-	-	114	39.2	-	-	114	10.4
Rental House/Apt (Formal)	100	23.1	45	15.5	56	39.4	101	23.3	217	32.7	318	29.0
Rental House/Apt/room (Informal)	9	2.1	-	-	1	0.7	1	0.2	-	-	1	0.1
Squatter (illegal land occupation) + own house	77	17.8	86	29.6	7	4.9	92	21.3	8	1.2	101	9.2
Employee Housing/Dormitory			-	-	-	-			26	3.9	26	2.4
Others	-	-	-	-	-	-	-	-	5	0.8	5	0.5
Don't know	-	-	-	-	-	-	-	-	58	8.7	58	5.3
Total	432	100.0	291	100.0	142	100.0	433	100.0	664	100.0	1097	100.0

Source: author, 2017

In term of housing type, the quality of the house where the second generation who lived separately seemed to be better than their parents. 45.5 % lived in the detached house while only 26 % of their parents lived in detached house, in case of living together in detached or semi-detached house 17.2 % owned by parent while 35.2% owned by children. In case of the simple detached house (low cost) 8.3 % of first generation live in this kind of house which 8.2% owned by parents and 5.6% owned by children. In contrast, the percentage of the first generation who live in the wooden tenement (low quality rental house/housing unit) and informal house was higher the percentage of second who live separately. While only 5.7 % stayed in wooden tenement while 15.5 % of their parents lived in this kind of house and also in term of lived together in the wooden tenement 21.0 % of the second generation who lived with their family stayed in the house which own by parents and only 7.0 % of them stayed in their own house. For the informal house almost 10 % of the first generation lived in this type while less than 1% of their children who lived separately lived in informal house (table 5.15).

Table 5.15: Comparison housing type of the first and the second generations

Housing type	First generation		Second generation									
			live together						live separately		total	
	owned by parents		owned by child		Sub total							
N	%	N	%	N	%	N	%	N	%	N	%	
Detached house / Semi-detached house	112	25.9	50	17.2	50	35.2	100	23.1	302	45.5	402	36.6
Simple detached house (low cost)	36	8.3	24	8.2	8	5.6	32	7.4	-	-	32	2.9
Terrace house / Town House	10	2.3	5	1.7	3	2.1	8	1.8	56	8.4	64	5.8
Flat (Condominium)	20	4.6	7	2.4	14	9.9	21	4.8	73	11.0	94	8.6
Low cost condominium	41	9.5	9	3.1	33	23.2	42	9.7	51	7.7	93	8.5
Self Contained Apartment	1	.2	2	0.7	-	-	2	0.5	21	3.2	23	2.1
Shop house	98	22.7	74	25.4	22	15.5	96	22.2	56	8.4	152	13.9
Wooden tenement (low quality rental house/housing unit)	67	15.5	61	21.0	10	7.0	72	16.7	38	5.7	65	5.9
Room letting	5	1.2										
Informal house	42	9.7	59	20.3	2	1.4	61	14.1	4	0.6	65	5.9
Others	-	-	-	-	-	-			5	0.8	5	0.5
Don't know									58	8.7	58	5.3
Total	432	100.0	291	100.0	142	100.0	433	100.0	664	100.0	1097	100.0

Source : author, 2017

2) Housing supported by the second generation

- In term of housing purchase**

In case of purchasing, 44.0 % of the second generation who lived with their parents paid for housing purchase or rebuilding cost, 36.9% of the first generation purchased or rebuilt house by themselves, 12.8 % of the second generation co-invested with their parents.

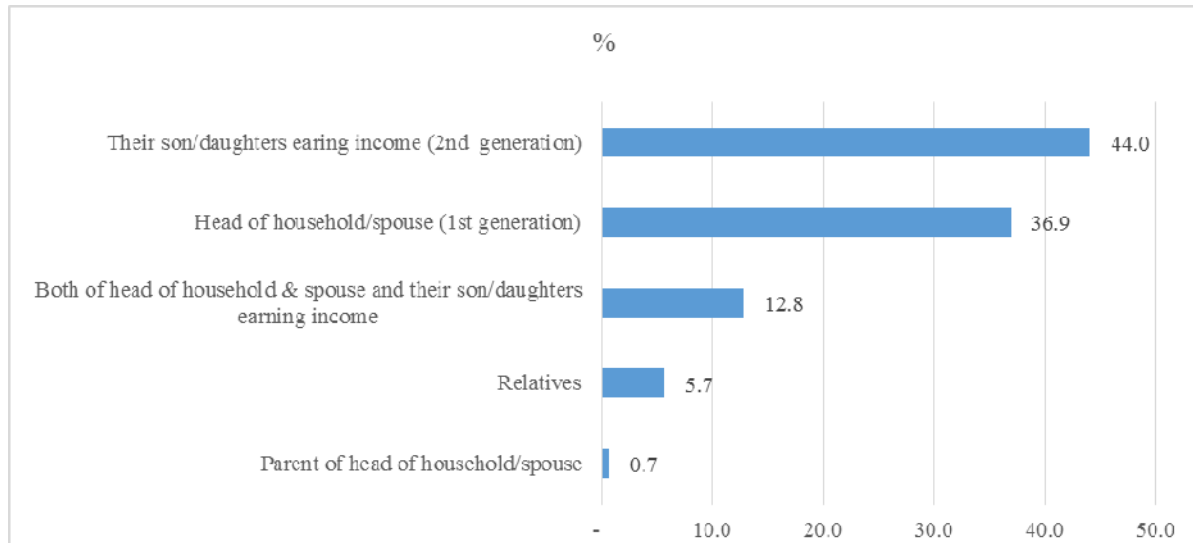


Fig. 5.7: Who did pay for the housing cost? (purchase/(re) building)

- **In case of upgrading**

Half of the first generation paid the upgrading cost by themselves, 32% of son/daughters who lived with their parents and earning income paid for upgrading while only 10% of both of first and second generations paid together. In summary, the main responsibility of upgrading was the first generation, it might because the cost of upgrading was not so high the parents could support.

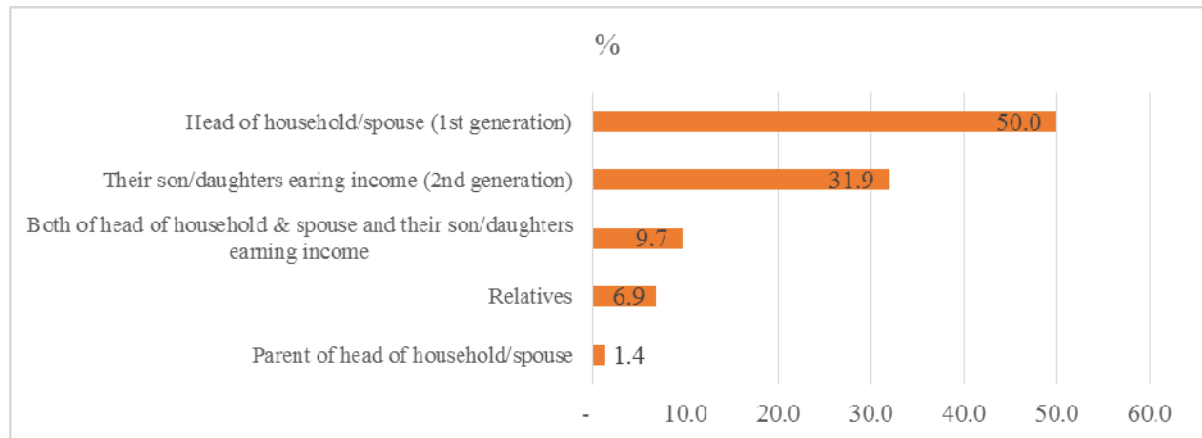


Fig. 5.8: Who did pay for the housing cost? (upgrading)

3) Impact of housing schemes

The study tried to explore how each program impact on the first generation of urban poor life. In term of housing condition becomes stable, It was very clear that the impact of BMK, BEA and Land sharing was very high. Because these programs gave the security of tenure to all the residents from informal to formal. In term of contribute own asset formation, the impact of BMK was high because there were the saving program in this program. In case of suffer from housing loan repayment on household economy, the impact of BMK and BEA program is slightly higher than other programs because both programs have to repay for their house every month. In term of motivation to improve their overall life the impact of BMK and land sharing were slightly compared with other programs. If compare with the previous condition they change from squatter to either renter or owner, therefore it motivated them to improve their life.

Table 5.16: Impact of housing schemes

Impacts \ Housing scheme	CPB	Land sharing	BEA	BMK
Housing condition becomes stable	45.5	80.4	80.0	81.1
Contribute own asset formation	28.2	43.9	38.3	53.7
Suffering from housing loan repayment on housing economy	19.1	31.1	31.6	48.4
More motivated to improve their overall life	36.3	60.9	43.3	60.0

Source : author, 2017

5.6 Aging life of the first generation and children's support

Thailand entered to aging society since 2005 and will reach an absolute aging society which mean that there will be 20 % of all population of Thailand over 60 years old in 2021. In 2014 there were 1.6 million people lived in BMR (NSO, 2015). This study investigated how the aging life and the expectation of the first generation of the urban poor.

According to the survey of the NESDB in 2014 there were 82% of the aging Thai people live in their own house and the family's composition is 34% live with 3 generations while only 14 % live alone.

Table 5.17: Family composition in Thailand in 2014

Family composition	%
Head of HH	14
Head of HH+ spouse	16
Head of HH+ child (ern)	7
Head of HH+ spouse+ child (ern)	27
Head of HH+ spouse+ child (ern)+parents	34
Head of HH+ grand child(ren)	2
Total	100

Source: NESDB, 2015

1) An expectation and reality on living together with children

It was not surprising that an expectation of the first generation wanted to live with children in their own house was extremely high 67.4% while they expected to live in children's house only 11.8%. However, there were only 12 % did not want to live with their children and 8.8 % did not care. It meat that the aging life of first generation of urban poor depended on their children.

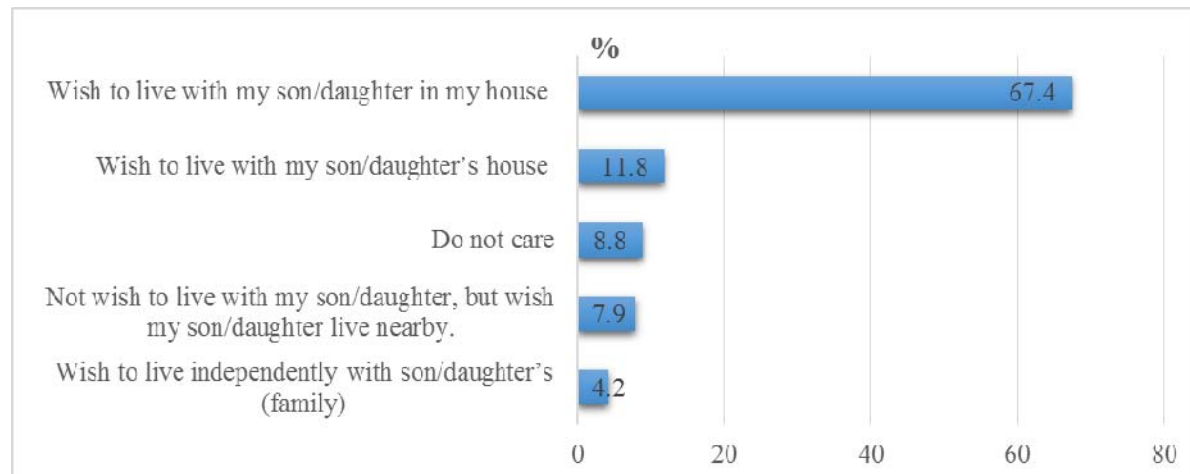


Fig. 5.9: An expectation on living together with children

For the possibility to live with the children when they were getting old. More than 83 % of the first generation think that it was possible to live with their children continuously.

There were only 2% of the first generation think that it rather difficult or difficult to live with their children.

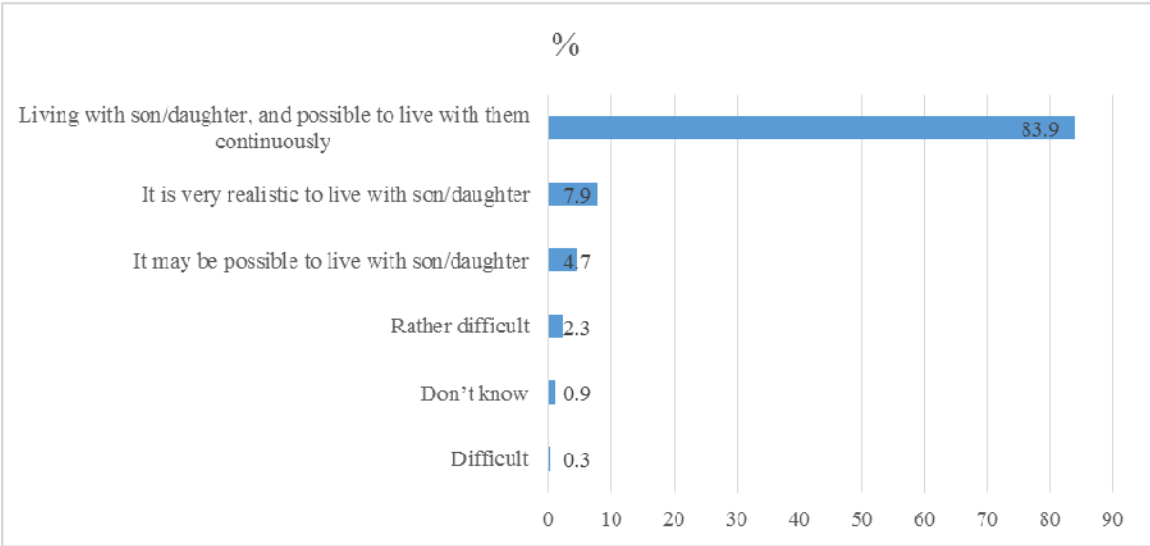


Fig. 5.10: The possibility to live with children

Life style was the most important reason that the first generation did not want to live with their children. There were 50% of the first generation though that their life style different from their children (50%) and 40.4% of them want to keep their own life style.

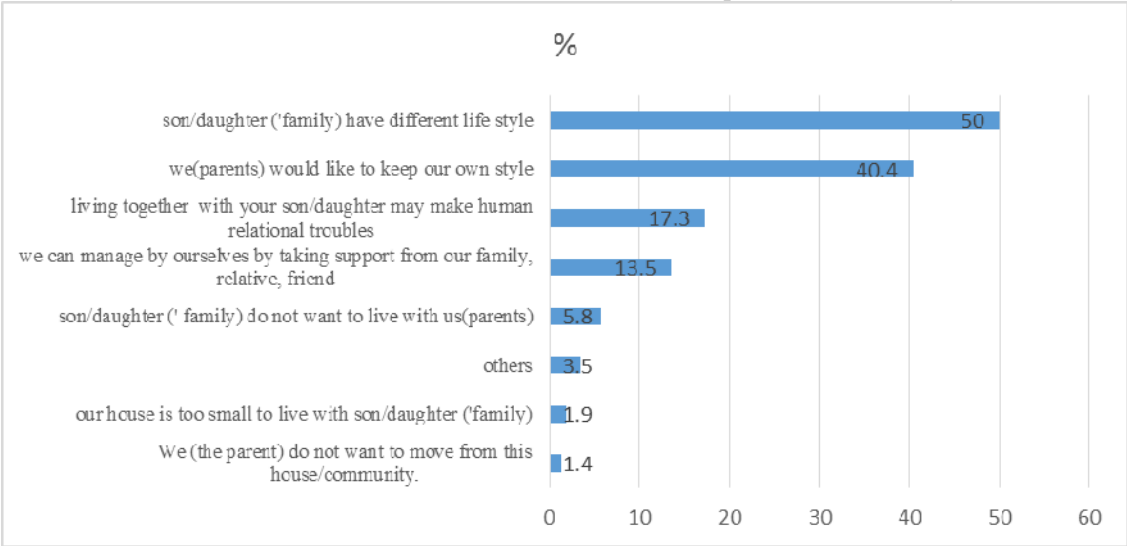


Fig. 5.11: The reason that the first generation don't wish to live with their children

2) Family support to aging of the first generation present life

After they retired, the first generation expected to get support from son/daughter from their children (55.6%), pension (39 % because the government gives pension for everyone who is more than 60 years old such as Bt. 600 for the one who is 60s and Bt. 700 for 70s, and wish to live with their children and relied on the economically (17.1%)

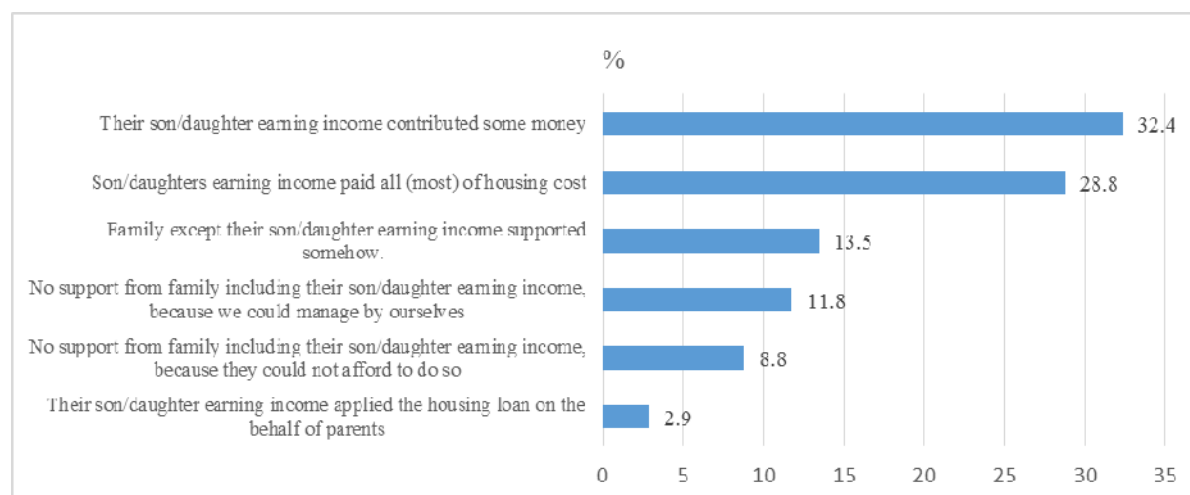


Fig. 5.12: Supported by children

When the first generation faced any difficulty, they relied so much on the family as we could see in term of economic difficulty 72 % of them depend on family, 10 % depend on other such as informal loan and 7.4% depended on relatives. However, there were less than 10 % relied on government, community or commercial services. For the health difficulty, there were 47.2 % of the first generation relied on the family and 38.7 % of them depended on the government because the government has some health program to assist the aging people and 6.7 % of them relied on the commercial service like insurance. For the small daily thing most of the first generation (70 %) also relied on the family, relative (7%), community or no one (6.3 %) respectively.

Table 5.18 : The difficulty of the first generation

whom can you rely on?	Economic difficulty (continues) N=432	Health difficulty (continues) N=432	Asking small daily things (Occasional) N=432
Family	72.0	47.2	69.7
Relatives	7.4	4.6	6.9
Friends	2.1	1.9	3.0
Community	3.2	3.2	6.3
Government	3.0	38.7	0.9
Commercial service	1.2	6.7	0.2
Other	10.2	5.3	5.8
No one	5.8	2.8	6.3

Source : author, 2017

(1) Anxiety in aging life

The anxiety in aging life of the first generation, there were more than 57% did not have any anxiety either not at all 45% or not so much 12.0%. Only 13.4% worried so much and 29.4% have some anxiety.

Table 5.19: Do you have any anxiety in your aging life?

Yes, very much	Yes, some	Not so much	Not at all
13.4 %	29.4 %	12.0%	45.1%

Source : author, 2017

For the anxiety, almost 60% of the first generation worried about their health which was typical for the aging people, followed by uncertainty of their income and saving (46.0%) because they thought that they could not work and earn more money. However there were less than 10% worried about loneliness or could not expect anyone care because 80% of them expected to live with their children.

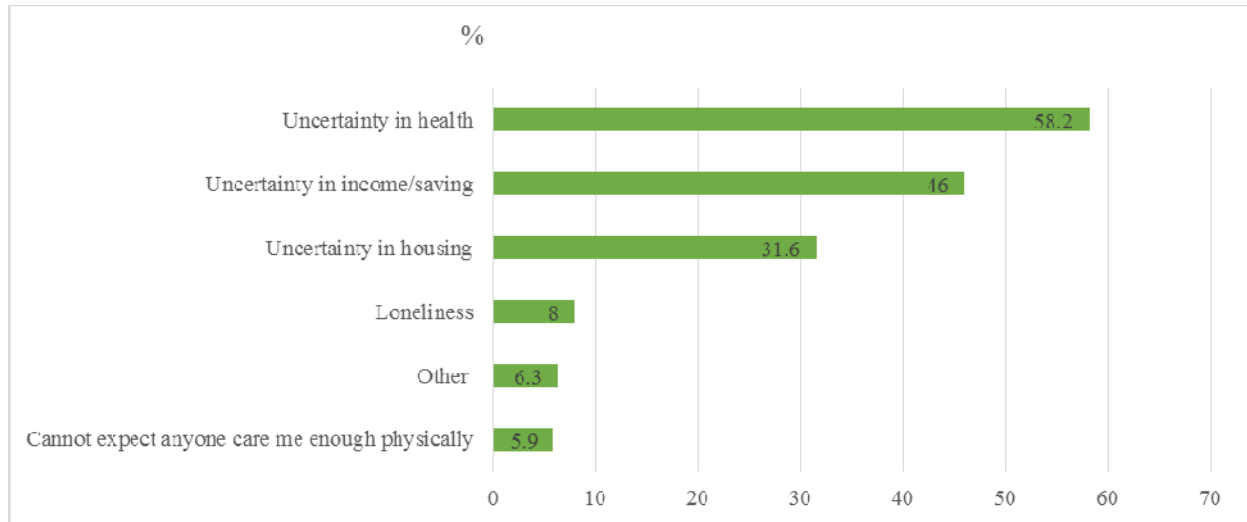


Fig. 5.13: Anxiety in aging life of the first generation

5.7 Conclusions

The study concluded as follow (figure 5.14): **1) the first generation:** Age and origin of the first generation associated with their education which effect to their income. Younger got better education. It might because the socio- economic of Thailand more developed ,therefore, the first generation who were born later got better chance to study. For the origin the first generation who born in Bangkok got better opportunities to study. Education impacted on occupation and occupation lead to better income. Income and number of the children of the first generation impacted to the education of their children. If the first generation had less children and higher income they could invest more for their children. The study found that if the first generation had less than five children the majority of their children graduated from university while if the first generation of urban poor have more than 5 children the majority of their children study only primary level. Stableness of habitation also impacted on the education of their children, stay longer their children got better education. It might because the parents got stable life and network to find job and earn income when they stay longer time and did not busy to set up their life. **2) the second generation:** Education is the key and associated with occupation and income. Better education got better job and earned higher income. Education is the basic requirement to get the better opportunity to get the better job. Better job means better income that the second generation can afford to purchase or rent the better house.

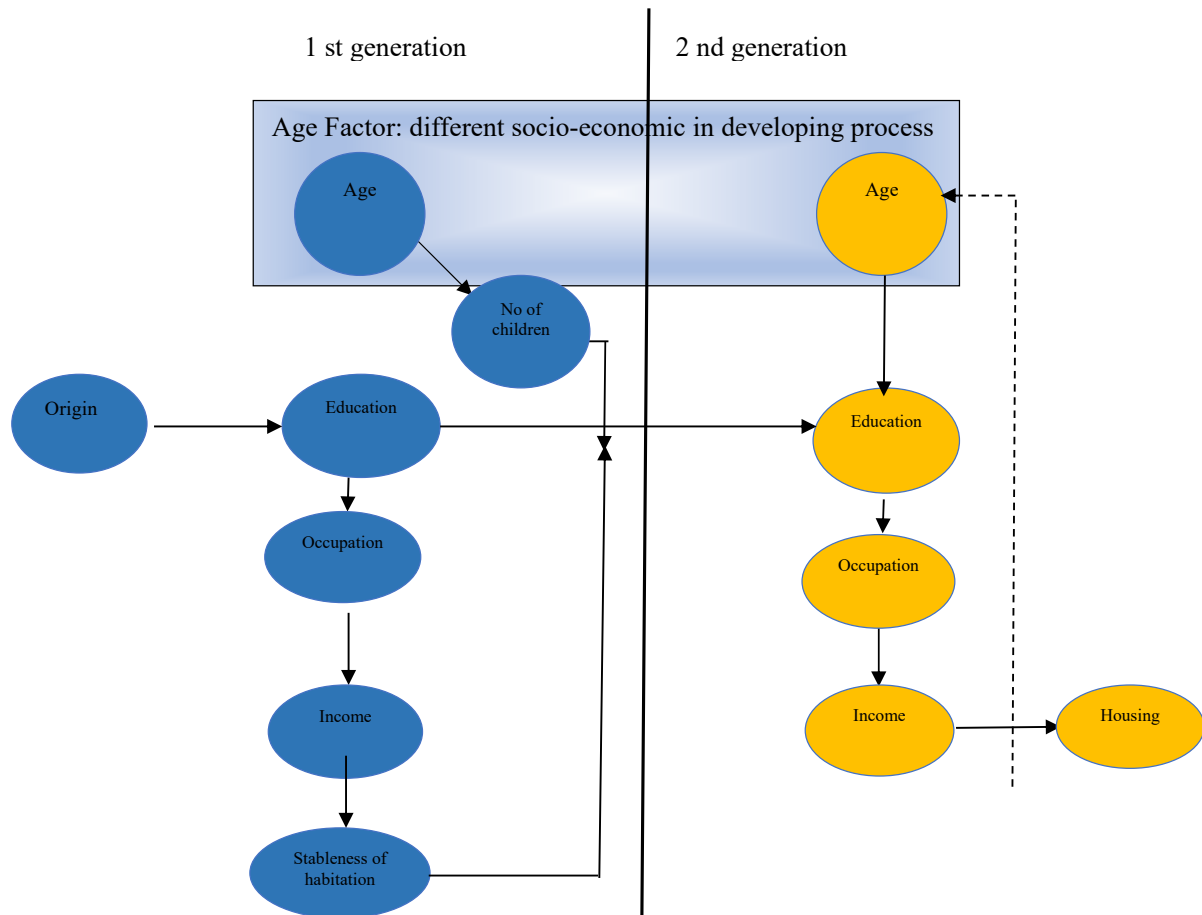


Fig. 5.14: Factors which influenced on the transformation from the first to the second generations

For the aging life of the first generation of urban poor. They were more rely on the family support and an expectation to stay with their children is very high.

All in all, the expectation of the first generation in Thai society depended so much on the children's support. At this generation it might possible for them because many of them stayed with their children but in the future Thailand will enter to the absolute aging society and the number of birth rate is decreasing so it might difficult for the next generation to support their parents and the government has to consider what the policy and program to deal with.

Chapter 6

Conclusions

6.1 Housing and the policy trends in Bangkok and Thailand

Due to the economic growth that has been concentrated in the Bangkok Metropolitan Region (BMR), major inequalities have developed between the BMR and other regions and have led to massive migration to the BMR since the 1970s, particularly from the Northeast (NESDB, 2011). The poor migrants came with hope to have a better life not only for them but also for their family. Some of them came and returned but many of them stayed and joined the city born poor.

The rural-urban migrant and the city born poor needed to find a place to live and build their house. Because they had a low level of education and lack of skills, they had to work for low wages in the informal sectors. Due to the lack of funds many of them met their housing needs by living in a dwelling outside of the formal regulatory framework. As the housing needs of the urban poor vary widely, informality has taken many forms. The development of Bangkok has never followed any plan but has been driven by the profit making of the landowners or developers. Small plots have grown up awkwardly shaped or lacking public access, the land owner having built the house or room and rented it out to the urban poor. Some migrant workers built their house on their employer's land. Many of them have squatted on unused public land like the Treasury Department (TD), State of Railway of Thailand (SRT), Port Authority of Thailand (PAT), Crown Property Bureau (CPB) and temples. The urban poor who occupied the unused public land can be considered as 'squatters' but they have rarely occupied a plot of land without any consent from the local officers (Boonyabancha, 1983)

In Thailand, 37.3 % of the settlements with tenure problems are on private land, 36.3 % on public land and 26.4 % on mixed public-private land (CODI, 2004: 2). In the late 1960s, around 60,000 families in the BMA were homeless or lived in informal settlements, the largest being Klong Toey with 25,000 persons. Other households lived under bridges or on boats (Drexler, 1971: 45). A 1981 survey found 551,420 persons (13 percent of the BMA's population) in 410 informal settlements (Boonyabancha, 1983: 255). The most authoritative survey (Pornchokchai, 1985) identified 1,020 settlements (943 in Bangkok and 77 in parts of two adjacent provinces) with a total population of one million. A 1992 study of the BMA (Setchell, 1992: 48-49) found 978 settlements with a total population of 1.3 million. The data shows that informal settlements in Bangkok tend to be small (on average around 1,000 persons). Endo (2014: 46) recalculated the number of informal settlements and their population in Bangkok for 1985, 1996 and 2006, adjusting the data to make them comparable. She found a significant increase (88%) in the number of settlements and in the population between 1985 and 2006.

People in informal settlements have faced a low level of land tenure security and a permanent threat of eviction. Evictions have always occurred, but they were not seen as an important issue until the 1970s. At that time the resettlement was one of the measurements which the government often used because there was plenty of land in the fringe area. The National Housing Authority (NHA) was established in 1973 to supply housing for the poor. In the past, international development agencies urged the government to shift from direct construction to sites-and-services schemes and informal

settlement regularization and upgrading. Occasionally, the NHA moved in that direction, but only reluctantly, as they, or the government, were never fully convinced that that was the correct plan of action. They provided basic services to improve the living conditions in the settlements, but they did not improve land tenure security, since that required an agreement from the landowner who was usually opposed to give more security to the settlers. Without tenure security, the threat of eviction remained and even some improved settlements were at a later stage evicted. Land-sharing recognizes the claims of both landowner and informal settlers by dividing the land into two parts: one to re-house the informal settlers and the other to return the land to its owner. In some cases, in the 1980s and 1990s it was applied in Bangkok.

In 1992, the government established the Urban Community Development Office (UCDO) within the NHA to address urban poverty, as it recognized that economic growth had not benefited the poor. Based on earlier work by NGOs, the UCDO promoted savings-and-loans groups in informal settlements and helped develop these into community-based organizations (CBOs) (Boonyabancha, 2003: v). In 2000, the UCDO became a public organization, called the Community Organizations Development Institute (CODI). As a separate legal entity outside the NHA, CODI has greater flexibility than UCDO.

Thaksin Shinawatra who was elected prime minister in 2001 had somewhat different ideas to gain the huge vote from the rural and urban poor. In 2003, he announced a One Million Baht Housing Program to solve Thailand's urban low-income housing problems within five years. The program had three parts: *Baan Eua Arthorn*, aimed at building 600,000 housing units; *Baan Mankhong*, aimed at improving housing for 300,000 (later 200,000) urban poor households in informal settlements; and housing finance for 100,000 housing units. The NHA was made responsible for the *Baan Eua Arthorn* program, while CODI was made responsible for the *Baan Mankhong* program. It was the turning point for the Thai's low income housing program by using large scale housing units.

The Thai government and housing agencies adopted many measurements to help the poor from the threat of eviction and also gave security of tenure but they never fully evaluated the long term impact of the housing policies or program.

6.2 Evaluation of the long term impact of low income housing

To achieve the first objective of this study the author studied the long term impact of low income housing policies: The findings of the study of the impact of the resettlement program showed that households in a small settlement have a variety of housing needs and that a single option (homeownership in a resettlement site) cannot meet the variety of needs. There were difficulties that the urban poor households' faced once they have acquired a land title. They might find that the resettlement site is too far from the place of income generation; they might not be able to repay their loan; or they might lose their title due to unsuccessful investments in business. However, if their houses were in good condition this did not necessarily mean that the original households had benefitted. Many original households left the informal settlements before a solution to the eviction was found; many other original households preferred or were forced to take the compensation rather than move to a new site. Other new households came to the new site, but did not stay. Some left because they found better housing elsewhere, but others were forced to leave due to financial difficulties.

With respect to land sharing, the author evaluated one of the land sharing projects in Bangkok which had been implemented more than 20 years ago. The study found that the success of the land-sharing project needed to be considered from different perspectives and dimensions. To look only at security of tenure and housing quality was not adequate to determine the success of the project. An even more important factor was the dimension of “power” i.e., identifying to what degree original households were empowered to stay and improve their housing situation; or how many households were given the opportunity or power to make their own choices about whether to leave the settlement in search of a better alternative.

Although land sharing was an imperfect solution, some poor families were given the right to obtain a plot of land in the same location. Moreover, land sharing enabled an informal settlement to be legalized, with improved services and secure tenure. This scheme also generated the perception that the government housing agencies and the communities could solve the low-income housing problem by working together. The success in the land sharing scheme needs to be described as mixed. On the one hand, the project was historic, as it helped to launch land sharing as an approach worthwhile of replicating. It was able to help selected low-income communities under pressure of eviction and upgrade their housing, land tenure, and services. It also demonstrated that the political will could be found in Bangkok during that time among, public, non-government and private actors across the city, to assist such low-income communities to improve their housing rights. Less historic, but perhaps just as significant, was that the land sharing agreement gave previously powerless “squatters” new found powers of secure tenure, market power (to sell their plots at a higher price if they wished) and voice (through participation in the outcome of the agreement). Ironically, this “power” led many of the poorer households to decide to leave the community. On the other hand, the land sharing agreement also led to a number of well-known pitfalls for poor urban communities. The signing of a formal agreement, and the upgrading of housing and land rights in a hot property market, in practice benefited the better off households of the settlement, both indirectly (by raising costs of living and providing a monetary incentive to sell off newly formalized plots) and directly (by introducing costs of participation, privileging ownership tenure and reducing the scope for short-term rental). In the longer term, this acted to polarize the community as residents became less equal (particularly with regard to the distinction between owners and tenants). In the short term, new-found market power gave some of the poorer families a direct incentive to sell their plots and move elsewhere. Though this may have represented a victory for the individuals, it acted to fragment the collective.

There are 3 dimensions that the housing policy impacts on:

- Tenure security dimension: Housing policy gives security of tenure for the urban poor
- Community dimension: The poor can organize themselves to empower their community
- Power dimension: Many poor are able to become the actors in their own housing development

In terms of maintaining the original community, the study showed that the original households stay in one site per project (57%) rather than resettle (37%) because they felt familiar with the community and they were still able to keep their networks. Although it is very difficult to protect market evictions it was considered alright if they were able to use

their house as an asset that enabled them to start their own business and which enabled the household to become financially stable.

6.3 Low income housing policy in the turning point

The million housing program was the turning point in housing policy in Thailand under the rapid economic growth, as it enabled a large scale of housing supply which had never taken place before. It was carried out using two programs (Baan Eua Arthorn (BEA) and Baan Mankhong program (BMK). Baan Eua Arthorn (BEA) housing program was implemented by the NHA, it had a quantitative impact on the low-price housing market in the BMR. The author evaluated the impact of the BEA program housing conditions on the low-income group in the Bangkok Metropolitan Region (BMR), and examined the risks of a populist housing policy. The original objective of the BEA project was to assist the low income group to have security of tenure through ownership. Due to the weakness of setting a flat price and design in the different locations, this made huge losses for the NHA because many units remained unsold. The NHA tried to solve the problems by changing the eligible income standards and price several times to open up an opportunity for households with higher incomes to have access to BEA housing units. Furthermore, the populist nature of the housing policy, characterized by setting a too large supply target for BEA housing that was beyond the management capacity of the NHA, the low affordability of the originally targeted group, the inappropriate program scheme and procedure involving private developers, the NHA faced a severe management crises, which included the surplus of unsold units that forced the deregulation of the income ceiling for eligible applicants. The BEA program thus changed from its original mission as a home-ownership program for low-income people to something that improved housing for the lower- to middle-income groups.

The Baan Mankhong program implemented by CODI, had a large number of projects which were located in smaller cities where land development pressure is low and the relationship between a private landowner and the informal settlers is not fully commercialized. However, it was difficult for a big city like Bangkok, especially in its central parts, as land values are very high and private landowners are unlikely to sell their land to informal settlers at a discount price because of the competition from real estate developers. This approach used the savings group and was community based to implement the program but not all of the poor lived in the community, and some of people were single a household therefore this program could not support all of the poor in the city.

The low income housing policy at the turning point can be concluded as follows:

- 1) Risk of populist policy: Large, urgent, ad hoc beyond the capacity of the housing agency; so the target needed to be set up according to the capacity, use of a proper time frame and permanent policy.
- 2) The Baan Mankhong shows potential of a community empowerment approach
- 3) What housing policy should be in the turning point? One housing policy cannot apply for all as universal. What is needed is a variety of options for different demands and affordability as such savings groups for the community or financial guarantees for individual households, ownership or rental

Due to the development of Thailand, there will be more formality and land will become more scarce. Thus, **the housing agencies should focus more on rental housing rather than ownership.** It might use Public Private Partnership (PPP) whereby the government could provide infrastructure and services and the private sector could build houses for rent.

6.4 Transformation of socio-economic characteristics and housing of the first generation and their children

The author conducted the study in 11 low income communities with different characteristics to explore and to understand the transformation of the first generation to their children, how the first generation in BMR consolidate their socio- economic conditions during and after the economy boom, how their children's conditions changed in terms of the socio-economic and housing situations, and what are the factors that influence and how it transforms the socio-economic development and land and housing markets in BMR. The study concluded that the socio- economic status of the second generation seems to be better off than their parents, however; there are still some of them who are at the same level or even worse than their parents. The most important factors which have led to an upward situation are:

- 1) The age and origin of the first generation which is associated with their previous education has an effect on their income. The actual income and the number of children of the first generation also has an impact on the education of their children. Surprisingly, the amount of time staying in one house has an impact on the education of their children, if the parents remained longer in one place their children received a better education. It might be because the parents acquired a stable life and a larger network to find a job and earn a more substantial income when they stayed longer in one place and did not have to spend their time setting up their lives in a new neighborhood
- 2) For the second generation: Education is a basic requirement to receive better opportunities and to get a better job. A better job means an improved income which enables the second generation to be able to afford to purchase or rent a better house
- 3) The housing program and community impact directly the housing formality, tenure and type of first generation but do not have such an influence on the housing of the second generation of urban poor. (The origin of the first generation and the history of the community have an impact on the education of the second generation).

In summary, transformation on socio-economic and housing situations over generations is quite successful. Many first generation people were able to consolidate their life in Bangkok under the rapid economic development of Thailand. Which led to the improvement of the second generation and improvement of housing conditions. However, almost 40% of the second generation have a similar level of education of their parents. The education level, age, origin, stableness of habitation of the first generation has an influence on the education level, occupation and housing of second generation which has an influence on the socio-economic level and housing situation.

6.5 Transformation of low income housing policy under the rapid economic development and maturing society

During the development stage, the urban economy also benefited from the informality within the society, as the informal sector not only supplied housing but also other goods and services such as food and transportation kept the cost of living low. It allowed employers to pay low wages and maintain Thailand's competitiveness in the global economy.

As the economy grew, Thailand became an upper middle income country, the land values increased and pressure mounted to develop undeveloped land, resulting in evictions to make way for commercial real estate development as well as an extension of the urban

infrastructure. Although, the poor benefited from informality and economic development which allowed them to consolidate their life and their children's lives to obtain better conditions for decades but under the formalizing society and rapid economic growth of Thailand, the population are seeking a better standard of living, but not all of them can achieve this especially the urban poor who are always left behind in society. The housing agencies have used several programs to assist the poor from forced eviction and the government and its housing agencies implemented several approaches to help the poor. However, this study concludes that one housing policy or program cannot be used as a universal housing policy for the whole town or country. There are advantages, disadvantages and limitations when there is only one housing policy. All the poor were unable to receive all of the benefits from the projects but still some of the poor were able to get security of tenure. It depends on the situations and contexts and also the target group who receive the benefits. The housing authorities, government, and relevant organizations should consider alternative solutions that will fit to different groups of urban poor.

Moreover, Thailand is facing an aging society, the dependency rate is increasing while the growth rate is declining. In the past the first generation relied on the family's support but it might not be sufficient in the near future. However, the study did not know about the first generation who have no children; which is one of the limitations of this study. So the question is how will Thailand cope with this issue? Will it either go for a more social welfare state or be forced to develop differently under these circumstances?

Acknowledgements

First of all, I would like to express my highly appreciation and thankful to my supervisor, Prof. Shigeru Fukushima, for his valuable advices, constructive comments, and guidance for my thesis.

Special Thanks to the committee members, Prof. Kiyonobu Kaido and Prof. Eiji Ohno for all valuable comments

I would like to express my gratitude to my co-authors Prof. Yap Kioe Sheng, Dr. Paul Rabe', and Prof Mizuo Kishita, and my former teacher Dr. Yu-Hung Hong for all their contributions to my publications

Heartfelt thanks to Meijo Asian Research Center (MARC), Meijo University for the fellowship and their supports during my stay in the Japan and make my study possible especially, Prof. Yuri Sadori, Ms. Hatsumi Mizuno and Ms. Mika Ota for all their kind supports. And also my good friend Sharon Welsh for her efforts to edit my English.

Deepest gratitude to all of my respondents in research and staff of NHA providing me relevant information to carry out my thesis.

I wish to thank my ex-boss Dr. Suwattana Thadaniti, Dr. Kundoldibya Panitchpakdi, and Dr. Sajor Edsel and my present boss Mr. Cor Dijkgraaf who encourage me to study more.

Finally, I would like deliver my deepest appreciation and thanks to my family for all their love and care.

List of Publications

Kittima Leeruttanawisut and Shigeru Fukushima: “An Evaluation of the BEA Housing Program in Thailand: Risk of a Populist Housing Policy” *Urban and Regional Planning Review*. Vol. 4, pages 168-184, 2017 (Refereed)

Yap Kioe Sheng with Kittima Leeruttanawisut. “Informal Settlements in Bangkok: Origins, Features, Growth and Prospects”, in Freia Andersand Alexander Sedlmaier (eds). *Public Goods versus Economic Interests: Historical Perspectives on Squatting* Taylor Francis Ltd, page 211-233, United Kingdom. 2016 (chapter in book ISBN :1138118974, 9781138118973)

Kittima Leeruttanawisut. and Yap Kioe Sheng: “Suwan Prasit 2: a resettlement project in Bangkok revisited”, *Community Development Journal*, Volume 51, Issue 2, pages 248–267, 1 April 2016 (Refereed)

Kittima Leeruttanawisut and Paul Rabe’ “Revisiting Land Sharing in Bangkok: Sengki Case”, in: Yu-Hung Hong (eds.). *Land Readjustment Experiences in Developing- Country Context’s* (Chapter 7 in book, (forthcoming))

Kittima Leeruttanawisut and Mizuo Kishita “Public Motorcycle as Flexible, Demand Responsive Transport Service in Bangkok”, *International Symposium on Urban Planning Asia-Pacific Planning Societies*, page 275 (12 pages for full paper), NAGOYA, Japan, 24 August, 2017 (International conference paper)

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