



Poverty Reduction in Urban Areas Series

Working Paper 19

Community finance: the news from Asia and Africa

Report of a workshop held in November 2007

Asian Coalition for Housing Rights

August 2008

The Asian Coalition for Housing Rights is a regional network of grassroots community organizations, NGO's and professionals actively involved with urban poor development processes in Asian cities. Their email is www.achr.net.

The report was drawn almost entirely from actual audio recordings made during the meeting which took place in November 2007, as transcribed and edited by Thomas Kerr (ACHR). Some additional information was provided by Thomas Kerr (ACHR) and Diana Mitlin (IIED).

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1 Summary - Community finance: the news from Asia and Africa

Asian Coalition for Housing Rights (ACHR)

During the last 15 years, savings-based community mobilization and organization has grown to maturity. In many nations, these activities have grown from small initiatives to major programmes reaching thousands of citizens. This report summarises the discussions that took place in November 2007 at a meeting in Thailand, which drew together community savers from 20 countries across Africa and Asia: Cambodia, Lao PDR, Vietnam, Indonesia, Fiji, Sri Lanka, the Philippines, Nepal, India, Mongolia, Pakistan, Thailand, South Africa, Tanzania, Zambia, Uganda, Namibia, Zimbabwe, Malawi and Kenya. The approach being promoted by the groups attending this meeting represents an important alternative to conventional poverty reduction programmes – an alternative which shows that the solution to the many, inter-connected aspects of poverty is not a few isolated few simplistic interventions, but rather to invest in groups working at a local level who know their local situation and who are clear about their development priorities. The report of the meeting explores the ways in which community organizations are using savings and loans to create new development options.

Those attending the meeting included experienced community leaders, members of local savings groups that were new to international exchanges and a number of support professionals from non-governmental organizations (NGOs). The opportunities for discussion were eagerly taken by those concerned with the day to day issues of savings and loan management, as well as those using savings finance to leverage more substantive development resources through negotiations with state agencies.

The experience of all participants is that community-managed savings and credit is a key ingredient in the struggle of low-income citizens towards better lives, better incomes, more secure housing and more healthy settlements. Community groups without savings can certainly link together and organize – and there are many examples of what has been achieved. But, as this report elaborates, with savings and loans at the core of the process, organized communities have both money and power – those two most essential ingredients for improving people's lives. Why have federations of low-income communities in the Philippines and throughout Asia and Africa embraced the simple rituals of savings and credit as the foundation of their development process? The box below summarises the experiences of the Philippines.

Box 1: Benefits of savings according to the Philippine community

Drawing on Philippine community knowledge, savings:

- helps people understand their own situations and their diverse needs: Instead of waiting for the government to provide development, communities now study their own needs, study what the state policies provide, and formulate solutions that work for everybody. The savings group is a forum to discuss, to analyze problems and to explore solutions to problems which affect them, problems which are diverse and complex.

- builds large scale: When savings schemes collect money, they collect people. Without big numbers, people can't get the kind of momentum to articulate their needs effectively. When many small savings groups link and work together in larger organizations, those larger numbers provide access to greater financial resources and enhanced power when negotiating for basic needs.

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

Continued overleaf

- creates the bargaining chip of collective assets: Poor people's individual savings are tiny, but when large numbers of poor people put their savings together, it becomes big money. That collective asset - and the confidence and experience to manage it – is a strong bargaining chip when negotiating with the state, with municipalities and with finance institutions for land, housing and access to external finance.

- makes poor communities potential development partners: Savings and credit schemes build local capacity resources; showing the government, landowners, finance institutions and other development stakeholders that the urban poor need not be seen as obstacles to urban development, but as important and viable partners in the struggle to make cities in the Philippines better places for everyone to live.

This report illustrates both the diversity of approaches to savings and credit, and the ways in which savings-related activities have led to numerous interventions across a spectrum of development needs. It draws on both the plenary presentations and the working group conversations.

The workshop began with a presentation on the experience of the Community Organization Development Institute (CODI), a Thai government fund that hosted the meeting. Thailand is a country where community savings have been institutionalized, and where 90 per cent of all urban and rural communities now have active savings groups. CODI uses savings- based mobilization as the basis for the upgrading of thousands of low-income settlements across towns and cities in Thailand. Local finance is blended with state subsidies to improve housing, secure tenure and access basic services. As described by local community leaders, community-led savings also catalyses a range of other activities including community businesses and welfare activities.

"A savings group under the CDD [government Community Development Department] is like a seedling planted in a small bowl. It will always remain a little house plant. But a savings group which belongs to people is like a seedling planted in the ground - that seedling will grow into a big tree with deep roots."

Khun Amporn, Community Leader, Klong Pia Sub District Savings Group, Songkhla Province

The presentations from the African movements highlighted the tremendous growth in federations of savings schemes. By 2007, nine African countries had established federations (the countries listed above plus Ghana) working actively to support their savings group members. In seven countries, groups have been successful in negotiating for land and the provision of basic services. The country presentations highlighted their achievements in negotiations with the state (in some countries) and the depth and breadth of savings activities. Many savings schemes practice multiple savings with separate funds for emergencies, health needs, income generation, and housing improvement. Groups also spoke about the creation of regional funds within nations to decentralize fund management operations and strengthen local ownership.

In contrast, many of the Asian groups are long standing and some have been saving for over 20 years. Many different examples of savings groups throughout Asia were presented at the meeting. There were savings groups that started like banks and micro credit institutions, and those that began because of eviction and housing. Some of those which were originally micro credit organizations have moved to building federations. The Asian participants demonstrated the breadth of approaches and interests with groups that have evolved differently, in part depending on their city and national contexts.

The second day of the meeting was spent in detailed discussions within a number of working groups.

The highlights of the discussion in the savings working group emphasized the importance of inclusion (of all who want to join in) especially with the practice of daily savings. Such daily saving creates trust, building strong local organizations. Savings also helps to address a range of livelihood strategies and reduces the debt burdens of those with loans from informal money lenders. The trust

created by savings results in community solidarity which can address a multitude of needs including successfully resisting evictions. Savings also helps communities secure access to government funds. At the same time, weaknesses in savings practices were acknowledged by participants. Sometimes the collective process is not strong enough. Other problems include a reluctance to give loans (because of a lack of trust) and poor record keeping. Community organizations may also struggle to manage difficult relations with political parties.

Many of the groups have invested their savings in collective funds which may also involve other capital from donors or government agencies. Members from Fiji, India, Kenya, Nepal, the Philippines, Tanzania, Thailand, Zambia and Zimbabwe shared their strategies and experiences in respect of fund creation and management. The presentations illustrated three levels of financial activity: local group savings, aggregation of savings capital into city funds and joining the city funds into national funds. A core objective is to have a mechanism to attract other funds – and to enable the community to remain in control of the monies.

“The community fund is a new direction and the way the fund performs allows more freedom and flexible action to the people's process, to drive different types of change. The fund allows people under a particular constituency to forge a common direction and gives them more freedom. When you add power to these small, dispersed community savings funds, you pull them together into a "change direction" and make them stronger. The community development fund pulls them together, changes direction and makes it stronger, even if the funds are not large. The idea is to link them into the same direction.” *Somsook Boonyabancha, Director of CODI*

There was much discussion about how the community members could continue to remain at the forefront of decision making after alliances with local and national government had been made. The critical role of networks and federations was acknowledged in building up the power of the people. A further important issue discussed at some length is what happens to savings activities once housing investment has taken place. Experiences suggest that members drift away once they secure shelter improvements – sometimes they even sell their land titles and homes. There was a consensus among those present that the savings-led development activities of the people have to be continued, beyond housing. In the present context, with an emphasis on the market and global financial forces, many services are gradually being transferred into the hands of multinationals. Provision for health care, education, training and other goods and services are increasing provided by commercial enterprises. In this context, solidarity between low-income citizens is essential – communities have to unite and face this situation.

The position of CODI within the Thai government resulted in an invitation for a meeting between workshop participants and the Deputy Prime Minister of Thailand. All of the savings networks recognise that state support is essential if tenure, shelter and services are to be affordable to all residents within low-income settlements. However, in many cases, state programmes are top-down, offering physical development but doing little to build local organizations. The savings schemes were excited about the opportunity to dialogue with the Deputy Prime Minister. Many of their organizations had previously brought their own Ministers to visit CODI's programmes in Thailand in the expectation that this would change the attitudes of their governments towards poverty reduction.

“I think this must be one of the first ever events where a group of slum dwellers – and even pavement dwellers who live on the street without any structure to live in – are coming to Government House and sitting with the Deputy Prime Minister to talk about the reality of the very hard conditions they are living in, in their respective countries.” *Jockin Arputham (President, Slum/Shack Dwellers International)*

Throughout the discussions there was evidence of the energy and activity of the community organizations and the lack of attention given to their efforts by conventional development agencies (such as the World Bank) and by some national governments. A key challenge is to find effective ways to link with formal financial institutions – and that requires a new understanding among these professional institutions. But whatever the response of the formal sector, the participants were confident in their own capacity to find a new development path and continue with their activities.

“There is no limit to change. That is the thing. But permanent or not permanent, that we never know! The only thing that we know is permanent is the people's process.”

2 Community finance: the news from Asia and Africa

Asian Coalition for Housing Rights (ACHR)

In November 2007, a large group of community leaders and their supporters from 21 Asian and African countries gathered in Bangkok to talk about the financial systems that poor community organizations are building and managing themselves, to support their initiatives in housing, land, livelihood, welfare and a host of other development activities. This report describes the important discussions that took place during that meeting, which was an important milestone for the community savings and fund movements in Asia and Africa. The meeting was jointly organized by four organizations:

- Asian Coalition for Housing Rights (ACHR)
- Slum / Shack Dwellers International (SDI)
- Community Organizations Development Institute (CODI)
- The International Institute for Environment and Development (IIED)

For more detailed information about many of the savings and fund processes presented and discussed in this meeting, please see the special November 2007 issue of ACHR's newsletter "*Housing by People in Asia*" on savings and funds. This newsletter can be downloaded from the ACHR website.

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"A key has no logic to its shape. Its logic is: it turns the lock."

(G.K. Chesterton, early 20th Century English writer)

2.1 What is the significance of this movement?

The current wave of savings-based mobilization that is described in this report has been taking place at scale for about fifteen years now. Despite reaching a considerable breadth in towns and cities of the South, it has received relatively little attention from the professionals and experts of development. This short note offers some reflections on the significance of this meeting and the wider movement to which participants belong.

Every society has ways of behaving, activities and forms of identity that are favoured; each society also has goods and services that are considered to be important, just as each society has its own preferred forms of decision making and resource allocation. Our modern world, despite all its complexities, is no different. To understand the significance of savings-based community organizing, it is necessary to recognize that, at this time, the favoured forms of capital are those related to finance, favoured expenditures are those related to the conspicuous consumption of luxury goods and services, and in respect of poverty reduction (along with other forms of welfare programmes), governments favour professionally designed projects that reinforce the role of the poor as beneficiaries.

The outcomes for those with low incomes and those who are otherwise disadvantaged by this system are problematic in numerous ways. The lives of the urban poor are generally difficult and for many the situation becomes critical. Nowhere is this more clearly evidenced than by the risks taken by illegal migrants in their efforts to secure entry to the labour markets of the Global North. It is evidenced by the dominance of drug gangs in some cities, the damage that is caused to people's quality of life and the difficulties faced by community organizations when they seek to prevent such activities. Residents living in a long standing favela in Rio de Janeiro reported in 2001 that one in

five of families had lost a family member to homicide.¹ It is also evidenced by the difficult choices that people face in their everyday lives, choices about who eats, about the quantity and quality of water that is purchased, about the risks that people take in working when they are sick or injured.

There have been many interventions that seek to address this situation. But an increasingly recognized truth is that many government programmes and development agency projects have failed. The Millennium Development Goals (MDGs) are a substantive recognition of this failure – in addition to being a pledge to improve practices. After ambitious and unsuccessful attempts to secure integrated and sustained development, the governments with official development assistance programmes are now saying: “let’s simply focus on a few widely recognized indicators that we know will improve well-being”. No-one believes these Goals are sufficient, but the record of failure is such that they are seen as an important minimal achievement. Many recognize that it is not possible to improve development options for the poor without addressing the politics of resource allocation, but the hope is that the significance of MDG interventions will itself engender sufficient political momentum for the Goals to be achieved. However, even these Goals are in danger of not being met especially in respect of water and sanitation.²

The approach being promoted by the groups attending this meeting in Thailand represents an important alternative – an alternative which says that the solution to complexity is not to isolate a few simplistic interventions but rather to invest in groups working at a local level who know their local situation and who know their local situation and who are clear about their development priorities.

Such local groups can nuance interventions so that they are adjusted to the specificity of each location. The argument is not that they will instantly “get it right” but rather than they are committed (like no-one else) to their own development agenda and will work through the problems to achieve success. This alternative approach says that politics that favours pro-poor development can only be brought about by empowering local groups because, in a democracy, political leaders are sensitive to their popularity and respond to organized citizens. Unless the voters are aware and able to negotiate, reforms are unlikely no matter how persuasive the intellectual arguments for progressive change are. And the approach recognizes that the contribution of professionals needs to be located within a broader plan built up from the people’s own ambitions and intentions, otherwise the professionally designed interventions are likely to be inappropriate and to work against the people’s own improvement efforts.

Most critically, this alternative approach directly tackles perhaps the three most anti-poor phenomena of the modern world, the dominance of finance, the emphasis on consumption, and the prevalence of professionalism. The nature of markets and capital means that those who start with most are favoured. It is easier to accumulate more capital if you begin with some already. To take just one manifestation of this reality, those with no money are forced to borrow if they want to access capital and the interest rates for small-scale lending may be as high as 10 per cent a day. Some citizens have no alternative but to pay these penal rates – they lack the multiple resources to look for cheaper sources of cash. Moreover, even if they are close to a bank or commercial finance institution with lower lending rates, they may lack acceptable collateral and face prejudice and discrimination. As amply demonstrated above, the use of group savings breaks this cycle, enabling local people to accumulate sufficient cash and organizational resources to address their systemic disadvantage, at least at a very local level.

The accumulation of savings capital is key to enable the entry of the urban poor into resource allocation processes where government and agency staff take financial worth as an indication of value. Groups that are organized enough to generate their own resources are visible and more acceptable to more powerful higher status groups such as politicians, professionals, bankers and other

¹ Perlman, Janice (2007) Globalization and the Urban Poor, WIDER/UNU research report No. 2007/76, Helsinki.

² UN-Habitat (2003) Water and Sanitation in the World’s Cities, Earthscan, London.

experts. With financial capital, suddenly they are taken more seriously. The experience of savings schemes suggests that financial assets are more easily recognized than the many other individual and collective efforts of low-income citizens to address their development needs. As savings groups are treated more seriously and recognized for their contribution, so their members gain in confidence and self-belief.

The ability to accumulate savings leads to the capacity to leverage additional financial resources. These new resources help communities to demonstrate new ways of addressing their development needs – and once their preferred strategies have been identified; organized communities are able to dialogue with local authorities, non-governmental organizations (NGOs) and other professionals in order to improve existing policies and programmes. A strong grassroots consensus about what works for them enables community organizations to engage with professional groups from a position of strength.

In today's modern world, worth and self-worth are often connected to what you own, rather than to actions or values. The consolidation of savings, the practice of giving and managing loans and associated repayments, the emergence of tenure security, basic services and housing investments; these processes enable local residents to receive public acknowledgement of what they have achieved. As people with low incomes demonstrate their capacity to use financial resources to good effect, they are allowed to enter into political processes that higher income groups access without question. Gradually they become aware of their individual and collective power, and this awareness brings with it an additional confidence, a willingness to take risks, as well as to celebrate what has been achieved. All this leads to increasing ambition to create new and more effective development options.

2.2 What is the significance of this meeting?

As with any gathering of creative and active individuals and groups, there are many spin-offs that have emerged from this meeting. Groups gained new ideas about what they might do, learnt new information about the strategies that old friends are undertaking, and deepened their existing alliances. In addition to these particular benefits, more general benefits have also been achieved.

a. The meeting is significant as it demonstrates the breadth of savings activities. The 21 countries taking part are a demonstration of just how many different communities have been drawn into this process, and how easily it replicates among grassroots organizations in very different contexts. Bear in mind that countries in which the exploration of savings is very new were not included in this gathering and the strength of this savings-based movement is even more evident. This movement is characterized by low-key, active, autonomous communities and their associations – rather than by a single hierarchically organized agency with a capacity to promote itself. The coming together of this number of countries demonstrated to participants the scale and depth of their movement. As country groups explained the kinds of activities that they are undertaking, there was a collective recognition of what had been achieved.

b. The meeting enabled a collective presentation of two distinct traditions within savings-based community organizing. SDI uses savings within a federative community structure, savings schemes link with each other in city and then national federations. The federations then take primary responsibility for political strategizing and associated negotiations with multiple state agencies. Dedicated support NGOs provide technical assistance and raise and manage donor funds on behalf of these savings schemes. The ACHR groups form networks which are active, at both the city and national levels, in joint collaboration with interested professionals and city authorities. Vertical links at the national level between grassroots organizations are less structured. These two traditions will continue to evolve, sharing experiences and improving on their practices. Their joint meeting is recognition of the importance of collaboration between two processes committed to supporting community-driven development.

c. The importance of state support. The meeting's location in Thailand enabled the Thai groups to showcase their work and demonstrate how targeted subsidies have supported community improvement efforts. Much of the orientation of savings schemes is to the potential and realized power of groups to address their own development needs. However, there is also an awareness that the state's contribution is critical if the lowest income groups are to be included in the activities. Equally, there is a consciousness that all citizens are entitled to state support in areas such as basic services. The Thai experience demonstrates just what can be done if government subsidies are forthcoming when communities are organized to use these resources effectively.

d. At the same time, the contradiction in citizen state relations was also exposed. State support is critical but over-dependence on the state is fatal. The power of this process lies in the autonomous strategizing capacity of the "urban poor" as a collective group facing structural disadvantage and discrimination. The announcement by the Thai groups that they are now planning to establish independent savings funds was a demonstration of the importance of engaging the state from a position of autonomy, rather than one of dependency. The Thai savings schemes are unwilling to continue to place their trust in the continuation of state programmes and are investing in their own capacity to maintain their momentum and determine their own developmental future.

2.3 Introduction to community savings and funds

The following introductory thoughts on community savings and funds are borrowed from a special issue of the ACHR Newsletter, "Housing by People in Asia", on savings and funds, November 2007.

Some good reasons why the poor are realizing they have to learn to play the game of finance

The way things happen in the world we live in is increasingly determined by money. The power of money is nothing new, but never before has it held sway so thoroughly over so many aspects of our lives, our environments, our relationships and our perceptions of what is right and wrong; everything nowadays has a price. You can call it capitalism or the market system or greed, but like it or not, the power of money is the defining factor of our age.

And what's happening is that more and more capital - and the power that goes with it - is accumulating in a smaller and smaller number of hands: in gigantic corporations, in the pockets of the super-wealthy and in increasingly-centralized government systems. It's way up there, not down here. These few hands are setting the agenda, making the plans and determining what shape development will take, and then passing the budget down the line accordingly. All this financial flow keeps things dynamic, of course, but the problem is that almost none of it is making its way down to the ground - to the poor, who keep getting pushed around and manipulated by whatever projects and programs this finance foists on them.

The more our governments and development institutions say, "We're going to alleviate that poverty" the more they spend on programs that just eat up that finance in management, in overheads, in junketing and in all manner of contingencies, so that very little actually reaches the people whose poverty is supposed to be getting alleviated. And when little scraps of finance do actually reach the ground, the poor are almost never allowed to manage it, to say what they would like to do with it or even to touch it.

That's why the big problems of poverty like land, housing, income and welfare never get solved. Unless poor people can learn how to use the tool of finance, they'll keep getting walked over by the much bigger and more powerful forces in government, in the private sector and in development agencies that are calling the shots today.

Why do community savings and credit and community development funds go together?

Why are community savings and credit and development funds so important? Because these are forms of finance that start growing from the ground, from people's own resources, instead of trickling down to them in stingy dribbles from some bogus poverty alleviation program or other. And when finance grows up from the ground like this, people can begin to think for themselves about what

they'd like to do - and then do it. Even if it starts very modestly, this kind of finance system within poor communities has the power to gather people together and to allow them to start doing things, because it is finance that they manage themselves. This is the trickle-up method.

Savings and credit form the first layer. Then, when a community's savings has brought them together, built their confidence, their management skills, their collective strength and their own internal fund, they are ready for the second layer, which is the development fund. The job of the development fund is to pump additional resources into these people's finance system (through loans or grants, and with a certain direction), which is now prepared and ready to handle them. This extra financial resource greatly expands people's space to create, to develop and to negotiate. It allows them to speed up and scale up their problem-solving initiatives and to push beyond the limited capacity of their internal savings, which by itself would allow them to move forward only very, very slowly.

Community savings and development funds go together. Growing numbers of poor communities are realizing that as long as the control over money is always in someone else's hand, so will the fate of their land and houses, and communities and livelihoods will always be controlled by the power of someone else's money and someone else's investments. And they are increasingly making money - and the control over their own internal resources and outside development resources - the fundamental tool in their process of bringing about change in their cities and reclaiming their power over their lives and communities.

Savings and funds and land and housing: There is probably no issue of poverty which better illustrates the power of this community-managed finance system than housing. In most places, if poor people have to wait to get their land and build their housing only after they've saved the whole cost, it will take them ten or 20 years. And, by then, rising construction costs and land values will have made the whole project impossible anyway. But when people have their savings groups and their development funds, they can plan and build their housing right here and now.
--

Savings and credit / Community funds: No longer a new baby . . .

In the past 15 years or so, the community savings process in Asia has grown up from a few scattered experiments into a very large movement that now has a life of its own. Community savings is a kind of revolution among poor people who want to change their lives; change that begins with the simple rituals of collective saving within their communities.

Of course savings alone won't do it all. But it makes a good start, when poor people understand that saving together and working together is important. They may put only a few coins into the pot each day, but that small saving means their development starts right away and that they are a part of something, part of a collective process, part of a search to find ways for their group to bring about change.

Saving is the only process in which poor community people can be the owners: they determine the direction, set the rules, make the decisions about how to use the resources to do what they think is important. There is a lot of talk about democracy in most Asian countries now, but we don't know what it means. Casting a ballot once a year and handing control over your life to some shark or another? Community savings is democracy. It is a democracy that ordinary people on the ground can be part of right now. Savings and credit activities open space for these possibilities, by ordinary poor people.

Saving is the key vehicle to get people to believe in themselves, to believe in their own power to determine their lives. For nothing clearly divides the empowered and the powerless more than control over money.

After watching the savings and credit movement in Asia over the past 15 years, we can see clearly now that development processes by people can be strong only where community groups organize savings and credit. In my opinion, it's the only way. They have to start from scratch - from saving first for emergencies, then for income generation, then for welfare and right up to saving for housing. Twenty years ago, it was unthinkable that the poor could save for their own formal housing - the costs for decent, secure, legitimate housing were just so high. Now that happens all the time. The small savings people started with can lead them eventually to own proper decent house. (*Somsook Boonyabancha*)

More than just access to credit : Making community savings and credit the building block of a people-driven development process in Asian cities

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

- 1. It helps people understand their own situations and their diverse needs :* Instead of waiting for the government to provide development; communities now study their own needs, study what the state policies provide, and formulate solutions that work for everybody. They begin by looking at their own resources, and negotiate outside for only what they don't have themselves. The savings group is a forum to discuss, to analyze problems and to explore solutions to problems which affect them - problems which are diverse and complex. The stronger their savings groups, the greater their capacity will be to deal with those problems.
- 2. It builds large scale :* When savings schemes collect money, they collect people. Without big numbers, people can't get this kind of momentum to articulate their needs. When many small savings groups link and work together in larger organizations, those larger numbers provide access to greater financial resources and enhanced clout when negotiating for basic needs. This process has political implications, since the stronger status of large federations enables the poor to deal with larger, structural issues related to their problems.
- 3. It develops community strength :* When communities save their money together and make decisions together about how to use their collective resources, they are developing the confidence, the managerial capacities and the collective skills they need to link with the formal system in negotiating for secure land and access to entitlements, and to become central players in the larger urban development equations.
- 4. It creates the bargaining chip of collective assets :* Poor people's individual savings are peanuts, but when large numbers of poor people put their savings together, it's big money. This enormous, growing collective asset bucks the myth that the poor are helpless and have no resources. When they come into negotiations with resources in their hands, they're not beggars; they come with thousands of people and millions of pesos in savings. That collective asset - and the confidence and experience to manage it - makes a strong bargaining chip when negotiating with the state, with municipalities and with finance institutions for land, housing and access to external finance.
- 5. It makes poor communities potential development partners :* Savings and credit schemes create the self-management systems, the mutual support systems, the collective assets and the large-scale involvement in poor communities (and in large-scale networks of poor communities) which show the government, landowners, finance institutions and other development stakeholders that the urban poor need not be seen as obstacles to urban development, but as important and viable partners in the

struggle to make cities in the Philippines better places for everyone to live. (*Drawn from reports prepared by the Homeless People's Federation Philippines*)

People want change

These days, every message that we receive on TV, the poor also receive. When the prime minister says something very nice and it gets covered, people all over the country listen to that, whether they're poor or rich, rural or urban. The almost-total reach of media and many aspects of change in our societies have caused people to have different aspirations, different expectations, and new ways of thinking. People in poor communities today are not the same as community people ten or 20 years ago.

We see this in so many ways : poor people have changed and they want to move themselves along with the new times. The problem is that the systems in our society are not adapting to these changes, they're not changing either, or not changing fast enough. Our government ministries are not interested in change at all; they are still acting the same old way, bothering only about their systems, their plans, their hierarchies, their ways of doing things. It's the same with municipalities, with development agencies, with NGOs. In the same way, urbanization is happening much, much faster than cities can cope with, or even understand. And slums are also growing much, much faster than the capacity of cities to solve the housing problems that force people to live like that.

In a city like Ulaanbaatar in Mongolia, we see this very clearly: people are coming from the rural areas into the city, and now 60 per cent of the city's population lives in informal ger settlements around the city's periphery. The city wants to solve this problem, but they don't know how. And so problems emerge and multiply faster than solutions. This is a problem not only here in Asia, but in Africa, in Latin America and even in the better-off countries of the north.

The formal systems in our societies are just not active enough or open enough to see what people need, or even humble enough to make room to allow people to realize their aspirations on their own. And this is the reason why there are problems, why there is such growing frustration.

But if you go out looking for the people who really want to make change, you'll find that people living in slums are one of the groups with the most urgent desire for change. They want their children to be better off than they are, they want to have a proper status in the city, they want improvements in their housing and living environments - they want to be normal city folks! But unfortunately, the formal systems in our countries are very slow to open enough room for them to realize even these very modest aspirations.

But if the ownership of the resources and the ownership of the knowledge can be in the hands of these poor communities, through their savings and credit groups and through the development funds many are linking to, flexible finance for community-driven development can create a new political space for freedom. This is one new system for delivering change, in which people have their own finance and know how to deal with it, and in which this finance provides them with a tool to bring about change, by themselves. Community savings and community development funds are a way to make this possible. (*Somsook Boonyabanha*)

3 Day 1 - Nov 10, 2007 Morning

3.1 Welcoming speech

by Somsook Boonyabanha (Director of CODI, Secretary General of ACHR)

This international meeting on community finance, savings and community-managed development funds has been organized at a very crucial, historical moment in our global society. We will continue our search for new ways of making development by people, on a large scale. The world we live in has changed, and we need new ways to make change possible - by people - and by a new system of

finance - by people and from people. And this meeting is the biggest gathering of people who actually believe in this kind of new development. So it means something.

Over the past decade, there have been experiments and innovations in various countries. Our knowledge of community-managed finance and our sense of what is possible has expanded enormously. And there have been significant, concrete achievements in so many countries. Some of these experiments have developed into a country-wide scale now - like Thailand, like India, like South Africa - like many other of the countries who are sitting here today.

I'm really very glad to inform all of you here, including the Deputy Prime Minister, who has kindly agreed to chair this opening session, that all the hardcore people who strongly believe in this new way of development are all here sitting in this room. They represent people-driven processes in 20 countries. These are the *hardcore* groups who actually work hard and are finding new ways of *development by people*. We are going to make a new theory, a new direction. And this meeting will be an important chance to share and to set such a new direction.

We are people who believe in community savings and community-managed finance for land, housing, welfare, livelihood, forestry - and many other issues. The process which has now grown up in so many Asian and African places is now going to spread to more countries and continents. Sitting here in this meeting we have 20 countries - about 120 participants - including some government officials, the key supporters and the community people who are the day-to-day workers in this process, in all the areas.

I would like to take this opportunity to introduce these 20 countries who are participating in this meeting. They come from Cambodia, Lao PDR, Vietnam, Indonesia, Fiji, Sri Lanka, Philippines, Nepal, India, Mongolia, Pakistan, Thailand, South Africa, Tanzania, Zambia, Uganda, Namibia, Zimbabwe, Malawi and Kenya. And our friends from international support organizations: from IIED, from SDI, and our friends in CODI.

We are going to spend the next three or four days learning, sharing and putting together our knowledge and our passion to make change for people by people, so we can feel this strong vision to make a new development direction for effective change - by the poor, by communities and by people, as strongly as possible, so it becomes the mainstream in the present development in our societies, as much as possible.

Box 2: CODI's views

Here in CODI, we have a strong belief in supporting people's development through the community development fund, using flexible finance which allows people the freedom to lead the development process by themselves. In a few years, for instance, this process of upgrading, has spread throughout the country, into more than 200 cities. And it has been implemented not by CODI staff, but by people themselves, all over the place! And people feel confident now to go and find new ways of doing things, to make their upgrading projects possible, to find security to their land, to their housing, and to their lives. Lots of creativity is possible, only when finance is flexible, and when it allows people this freedom.

People have no problem! It's the systems of finance in our societies that have some serious problems. And this is the main reason we are coming together today, to understand how people's savings and people's finance in poor communities can link to other sources of finance that understand people's way of doing things. Because when the financial systems don't understand people's ways of doing things, it tends to restrict their creativity and suppress their ways of doing things. If this freedom could be redefined and understood properly, the world would not have these vast problems of poverty that it does. It is poverty of thought, poverty of the systems, poverty of misunderstanding.

We can't make the system understand our work, but we can start ourselves from today by starting savings activities. We can start building our strength, our finance, and start having our creativity and to move forward, to make the new alternative way possible. If there is a new kind of finance, which allows people to do more and more, and to be more and more creative, we can turn things around, we can make a new society.

And this is very close now - we are not starting from zero! Today, the 20 groups who are here in the room have lots of experience. And it proves that this direction is right, it is the right direction for development, and it is the true direction that we are going to pursue. And we will find a stronger way of supporting it in the near future. I'm sure from our meeting today, and from the way we are going to develop that we will achieve this goal. With some strength, some encouragement, some inspiration with us, we will be able to change the situation in our countries, in a stronger manner.

It is important to mention that this very special meeting has been organized to take place in CODI's new office, and to inaugurate this office in this important way. It is such an honor to me, who is working in CODI also, that you are having this meeting here in our new office, which is going to be a headquarters to work with the people on a large scale, around the country, to solve the problems and to build a new development direction together. Actually, most community people around the country perceive this CODI building as their secretariat. This building is the people's building. This centre is people's centre. Urban and rural. And I hope that in the longer term, you will all have this kind of people's centre - *ten times bigger than this one!* - in your own countries. I would now like to ask the Deputy Prime Minister to give his inauguration speech.

3.2 Delegate welcome from Thailand

Mr. Paiboon Wattanasiritham, Deputy Prime Minister and Minister of Social Development and Human Security welcomes the delegates

Thai community funds, savings and city-wide upgrading

- Mr. Amporn Duangpan (Community Leader, Klong Pia Sub District Savings Group, Songkhla Province)
- Ms. Saenglaot (Northern region, Payao Province, village bank)
- Ms. Khunumit (from the community network in Yala-Pattani-Narathiwat)
- Ms. Adisara Sunsaree Koonchai (Chantaburi Savings Groups)
- Ms. Malee Ohn (Community leader, Khon Kaen City community network)
- Ms. Supanee, (From Baan Gruay Community, Near Klong Toey, Bangkok)
- Ms. Meaw (From Bangkok and Vicinity Community Network)

Somsook introduces : Thailand is a country where community savings has been institutionalized, and where 90 per cent of all urban and rural communities now have active savings groups. Savings have become something normal here. In such a large country, many different types and styles of savings models have developed in different places, and all of them have deep roots in poor communities. Most of these savings processes are linked together into networks of various sorts and at various levels: no single community does this alone. We have networks for housing, networks for land, networks for community forest management, networks for organic rice growing. But in all these groups of poor communities, there is the same common idea: that people manage their own development, beginning with managing their own finances. And these community savings groups (in both urban and rural areas) now have a combined savings of more than US\$ 695 million!

Table 1: Community saving in Thailand

	Community organizations	Number of members	Total savings
URBAN	3,041 communities (in 225 cities and towns)	1.5 million members	1,540 million baht (US\$ 44 million)
RURAL	75,000 villages	12 million members	22,800 million baht (US\$ 651 million)
TOTAL	78,041 communities	13.5 million members	24,340 million baht (US\$ 695 million)

- (Figures from CODI, November 2007)
- There are a total of about 3,500 urban poor communities in the whole of Thailand.
- And there are about 80,000 village communities in rural Thailand.

Box 3: Rural savings groups in one rural sub-district in southern Thailand

Khun Amporn : A plant in a pot or a plant in the ground?

The story of Khun Amporn's savings group in Klong Pia sub-district, Songkhla

One savings group that was started by the government's Community Development Department (CDD) in the 1980s - that found its own way and turned into something extraordinary - is the one in Klong Pia sub-district; a group of neighbouring villages in the southern province of Songkhla. The group, which was started by a school janitor and philosopher named Khun Amporn, found itself hampered by the clumsy rules the CDD imposed on them. But they adjusted things, developed it in their own way and kept fine-tuning their processes.

"A savings group under the CDD," Khun Amporn says, "is like a seedling planted in a small bowl. It will always remain a little house plant. But a savings group which belongs to people is like a seedling planted in the ground - that seedling will grow into a big tree with deep roots."

As in many of Thailand's rural savings groups, everyone here saves once a month, on a special day set aside for all the members to come together to save, propose new loans, make repayments and get welfare benefits. These are highly social occasions, with lots of meetings, updates on family news, sharing of meals, announcements, things for sale and monks coming to bless the gathering with prayers. Almost everybody in the sub-district is a member in the savings scheme - nobody is excluded, even the poorest. Today, there is a whopping 200 million baht (US\$ 5.7 million) in Klong Pia sub-district's community savings fund.

Besides saving and loans, the group's pioneering welfare program, which they designed themselves and have been running for over ten years using a portion of the interest earned on loans, offers members 50 different kinds of welfare benefits - a model which has inspired countless other communities to set up similar programs.

Another recent invention is their Tree Fund, which gives people small loans to buy hardwood tree seedlings to plant on their farms. They've planted over 5,000 trees so far. "We are going to make this area very green," Khun Amporn says, "But beyond that, the idea is to build an asset for the next generation. By the time the kids grow up, these trees will grow big enough to cut for timber. It's a real inheritance." (Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

Khun Amporn : We have many different kinds of savings groups in Thailand, with different ways of operating and different objectives, in both urban and rural areas. This is an important chance for all of us to tell you in a little more detail about four kinds of savings groups. Savings are one of the most basic tools to gather people in a community together, to gather their combined savings and to plan activities using that capital to meet their needs and solve the problems they face.

In my sub-district, we have a sub-district-wide savings group which includes 11 villages and all 1,300 households in those 11 villages. With our savings, we try to promote occupations, we give school and university scholarships, we set up special welfare funds and tree-planting funds, we build houses. We can transform our combined savings capital into many activities and into many forms of problem-solving. We do not rely on the government at all. People in Klong Pia sub-district work together and we have created the savings process and set all the rules and regulations together. In these ways, the savings process is completely our own. It has been adjusted over time to suit our own way of life and our own needs in our communities.

- In Klong Pia sub-district, we have 11 villages, with a total of 1,300 households.
- We have got every single one of these households to get involved in the community activities and in the savings process now. Rich and poor work together to share the benefit and to share the happiness! Every family in the sub-district are members. So in Klong Pia, we have achieved 100 per cent success and 100 per cent involvement.
- We have 7,200 savings members who collectively save about 2.1 million baht (US\$ 63,630) each month. We all come together one day a month and make our savings deposits and transact our loans on that day.
- Our combined total savings now is about 214 million baht (US\$ 6.5 million). That is enough to tackle our basic problems. We do many things with this money, besides giving loans.
- We have our own welfare program with separate funds which offers members 16 different kinds of welfare benefits including a medical fund (we give 100 per cent reimbursement for sickness and hospitalization and medicines), a funeral fund, a natural disaster relief fund (maximum 50,000 baht per household now), an education promotion fund, an elderly care fund, a tree-growing fund - *too many to tell you all of them!*
- In our Songkhla Province, we now have some kind of saving group in every district and sub district. But some of these groups are newly-formed and may not have reached the same level as our savings process in Klong Pia sub-district.
- But in the old savings groups like ours, we can be self-reliant. With the collective capital from our savings, and the capital we have invested in our various welfare funds, we can take care of each other.

Box 4: Village banks in rural Thailand

Ms. Saenglaot : Village bank in Payao Province

Village banks in rural Thailand: Each year, as part of the celebration of the King's birthday, a particular development concept is promoted nationally. A few years ago, in the wake of the Asian economic crisis, it was economic self-sufficiency. In 1989, the theme was village banks. To operationalize the idea, Kasetsart University helped start ten pilot village banks in seven provinces. The process began without any external funds, but later, the International Agricultural Labor Union (based in Switzerland) supported the process with some external capital as the village bank idea scaled up. The village bank process also draws on Buddhist principles of mutual assistance and self reliance, and mobilizes the savings of villagers into a revolving loan fund, as the chief economic resource in the village, with management help from the village temple and school. Besides saving and credit, village banks support community businesses and local welfare programs and are linked together into a national network for mutual learning.

(Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

My savings group is a "village bank." We save our money together, because money is the most important factor to develop people and to develop our country, so that our country will be able to live peacefully. We established our village bank more than 15 years ago, and set up our own rules and regulations about how the collective savings would be used. We used the village bank to try to bring people to work together and join in activities together, and ultimately to make ourselves more self-

reliant. In our system, people save once a month, on the same day, and that day is like a big meeting where we talk about so many issues. We keep all the records of savings, loans and repayments posted publicly, so everyone knows where the money is, all the accounts are clear to everyone, and all the news is distributed around on that day each month.

- We have 40,000 members in our village bank.
- Many people in rural areas like ours are deeply indebted to informal money lenders, who charge interest of 10-20 per cent per month. One of the most important parts of the village bank has been to give people a source of credit that is easy to obtain and is low-interest, so they don't have to sell their future to these loan sharks. After setting up the village bank, the problem of indebtedness to money lenders has decreased a lot.
- The interest we charge on loans from the village bank is very low. Plus, that interest comes back to members through different kinds of benefits like scholarships for their children and welfare.

Box 4b: Village banks in rural Thailand

But more than just access to low-interest loans, our village bank is our way of helping each other and caring for the needs of our neighbours in our district. And saving has helped us revive the spirit in our community, it has brought us all back together and helped us work together as a combined force. We have revived our old culture of helping each other and relying on our own community for meeting our human needs. And in these ways, we are gradually solving the problems we face.

- We have 140 groups which conduct different activities, including disseminating agricultural knowledge and traditional wisdom, helping people to reduce their household expenses and manage their household budgets with less money.
- We also have our own welfare program, which helps people in all aspects of their lives, from birth to death (including benefits for births, illness, funerals, emergencies, etc.)
- It hasn't always been easy though! We have struggled a lot over the years to make our village bank work and expand it to include more people. We started with only 70 members and a revolving loan fund of only 10,000 baht (US\$ 300).
- But now we have 40,000 members and have accumulated a revolving loan fund of 50 million baht (US\$ 1.5 million)

Ms. Khunumit : Community savings and upgrading in Thailand's three southern-most provinces : Yala, Narathiwat and Pattani *(These three provinces, which for centuries were part of a separate Malay Sultanate, have been trouble spots since being annexed by Thailand, and have in recent years been racked by full-scale armed conflict)*

The savings activities that we do in these three provinces all focus on reviving the fishing communities, developing our housing and communities, and reviving our livelihoods.

These three beautiful provinces have serious problems of land, housing and loss of traditional livelihoods - especially the loss of land and conflicts with the big commercial trawlers among the traditional coastal fishing communities. There is a total of 33 districts in these three provinces, including both urban and rural districts - all with housing and land problems.

- We have savings groups in about 130 communities, both urban and rural, in these three provinces.
- We use the savings process as a way of making concrete changes in our lives and bringing about concrete problem solving. And setting up community savings groups to tackle our problems is something that is in line with our Muslim faith, and saving is an activity which teaches people about finance, about participation and about getting to know each other.
- This savings process is going to be the main factor in helping people in the three southern-most provinces overcome these bad times and recapture our peace and well-being. Even in an environment which is now filled with conflict and violence, we have been able to persuade people to come together, to set up savings groups, and to solve our problems.
- Community upgrading projects : We have organized savings activities in many communities with housing insecurity who are developing Baan Mankong housing projects in 91 communities. 30 community upgrading projects have already been approved in these three provinces.

- We also have a program to revive the local fishing communities: 81 fishing villages have now formed a strong network, all with savings groups, and are working together to find solutions to their serious problems of land, occupation and housing.

Ms. Adisara Sunsaree Koonchai, Community Bank in Baan Plooyang, Chantaburi Province
(started by the progressive Buddhist Monk Phra Manat)

I represent the Baan Plooyang Community Bank in Chantaburi Province. Our experience has been very much like what Mr. Amporn and Ms. Saenglaet have described. But what is different is that the savings group in Chantaburi was started by a group of Buddhist monks. We use the Thai word *satcha* (which means truth or honesty) as the name for our savings groups. We have to be honest and we have to keep our promises.

- **Background:** In the early 1990s, a progressive monk named Phra Subin in the eastern province of Trat launched a community savings movement built around an unconventional blending of social action with Buddhist principles of self-reliance, mutual help, sincerity and commitment to hard work. Many community leaders and monks from all over Thailand have come to Trat to study Phra Subin's system and put the same principles to use in starting savings groups back home. In this way, Phra Subin's savings system has become a national movement, now known as *Satcha Om-sap* ("Truth Savings" or "Honesty Savings").
- Phra Manat, another progressive monk in the neighbouring Chantaburi Province, helped start the Satcha Om-sap movement there, in Baan Plooyang in 1995. The savings process, which is based in the temple, includes about 40 groups, with about 400 million baht (US\$ 12.1 million) of collective savings in the revolving fund. We save once a month, on the first day of each month, with a minimum saving of 100 baht (US\$ 3) per member. That 100 baht goes into the collective loan fund, from which members can take loans.
- All kinds of people are members - children, young people, even elderly people up to 80 years old can save!
- We have our own welfare fund, which provides benefits for people's emergency health care needs, funerals, births, scholarships, elderly, etc. The money for this welfare fund comes from a portion of the interest charged on loans from the revolving fund (but we don't call it "interest", we call it a "fee" for the loan). We have also received 2 million baht (US\$ 60,600) from CODI, as a matching grant to expand our welfare fund.
- The "savings day" on the first of every month is an important event in the village. On that day, people save, make loan repayments and request new loans - all transactions take place on that day, and everything is open to everyone to see. It's like a cultural event, also a chance to meet each other, pass on news, share food, maybe combine it with some temple-related celebration or ceremony. It's an important way of knitting the community together - in a rural village where people don't live too close. We also have a big gathering and celebration once a year, which is like a village fair, where members sell the products they have made from their small home-based enterprises.

Box 5: Daily saving in urban slums in Thailand

Ms. Supanee and Ms Malee Ohn, URBAN Community Savings Groups

The idea of daily saving first came from poor community federations in India and South Africa, which have embraced daily saving on a national scale. Every time teams visited Thailand, they talked about their savings systems, explained their simple procedures and challenging the communities they visited, "What's taking you guys so long?" Community people here were interested, and groups in Khon Kaen and Nakon Sawan started daily saving. But others were slow to understand the concepts, complaining that it was "too complex, too difficult. How to do accounts? How to collect?" In recent years, though, the daily savings system has caught on in Thai communities in a big way: as a means of dealing with loan repayment crises in communities, as a means of helping "un-stick" problem loans by making it easier for people in trouble to repay in tiny, daily installments, and as a way to include the poorest community members by accommodating the savings process to match their earning patterns, which are usually daily.

Continued overleaf

But the Thai version of daily saving is a compromising one: in most savings groups, people can save daily, weekly or monthly, depending on what suits them - it's not so strict. In some groups, the daily savers form their own sub-groups and transact savings and credit with the larger group once a month, but carry on their internal saving, loaning and repaying on a daily basis, with their own separate ledgers. (Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

Ms. Supanee (Community leader from the Baan Kluay Community, Near Klong Toey, Bangkok) : Savings groups in urban areas are mostly in slum communities.

- Proud of the word "slum" : When I listened to Jockin speak earlier, I was very impressed by the way he used the word slum so proudly, with no shame. In the past, we didn't use the word "slum" in Thailand, but used another softer term, "chumchon ai-at" which means "crowded community." But as Jockin says, we can be proud of this word "slum", and proud that those of us who live in slums can save and build up our own revolving loan funds, which we manage ourselves. You won't find any middle class communities in Thailand doing that!
- In the hundreds and hundreds of slum communities in and around Bangkok, we think that savings groups are something very common! Community saving is now common practice. In Bangkok, we use savings groups to build a fund from which members can borrow money for their various needs, but we also use savings as a way to gather people and get them to come together and work together and pool their skills and resources.

That's the ordinary concept of savings groups, but in big urban areas like Bangkok, savings groups can also help us to solve certain problems we face in our communities - and solve them ourselves, in our own ways.

- For example the problem of housing : If we feel we want to improve the quality and security of our housing, we come together and make a savings group. Our community will then have to manage our own funds from the savings, and this helps us prepare to manage the larger funds involved in a housing project.
- We can also use the savings as a way to come together and think together about how we are going to provide land tenure security for our community members, or how we are going to provide welfare benefits for our more needy community members. And if we face eviction and can't improve our housing in the same place, we have to think how and where we can move.
- Each saving group in Bangkok has a purpose!
- We have about 2,000 poor communities in the greater Bangkok area, and about 1,500 of these communities already have savings groups, with a combined savings of about 320 million baht (US\$ 9.7 million).
- 485 of these communities have Baan Mankong upgrading projects - either finished or under process now. To join the Baan Mankong program, communities have to have active savings groups first.
- In rural areas, each province has a community network, and this network now has the job of helping communities set up savings groups. All this work is now done by the community networks, not CODI or any NGOs.
- But here in Bangkok, the city is divided into 50 districts, of which 36 have active savings group networks. Each district may have an average of 40 informal communities in them.

Ms. Malee Ohn (Community leader from Urban Community Network in Khon Kaen) : Saving in the smaller provincial cities is a bit different than in Bangkok. There are many different approaches to saving, because many of the smaller cities actually have higher percentages of poor people and they come into these smaller provincial cities from rural areas where they cannot survive. And once in the city, the only place these poor migrants can find to live is in the informal settlements. We join together and start saving together not only to create a source of affordable credit, but to build our collective strength and to build the capacities of poor people like us to take care of our own problems and meet our own needs. Poor communities need to recognize their own potential power and our

capacities, because solving our problems of poverty is not only economic - we have to solve the social side of poverty problems also.

- In a single small community, there may be two or three different savings groups, some with weekly, daily or monthly saving, depending on the capacities and the earning patterns of their group members. We have to respect people's different situations and their different needs with the savings process.
- The skills and strengths that the collective savings builds leads communities to link more easily with other development partners and other community networks.
- In Khon Kaen city, there are 81 poor communities, and every single one of them has a savings group. We divide the savings groups into two types: savings groups for scattered squatters and poor people living in small clusters or in isolation, and savings groups in established slum settlements. All have savings, but the approach is different.
- There are 19 provinces in our Northeastern regional urban community network. And in these 19 provinces, 484 communities are now involved in Baan Mankong upgrading projects (with 25,000 beneficiaries).
- All these community members involved in the Baan Mankong are saving. Why? Because more and more people are realizing that the process of solving their housing problems starts with themselves. And then once they have started saving and prepared themselves, they can go in a position of strength to ask the government for support.
- I think that if we try to work alone, by ourselves as individual families or by ourselves as individual communities, we cannot change much, we cannot have success that is sustainable. We have to build networks with other communities and then seek linkages with our local governments and other local development actors like NGOs, monks, academics. The local government is an absolutely essential part of solving our housing and land problems - we can't do it without them, and they can't do it without us. Plus, if we can get the support from our local government, it becomes easier to get cooperation from other local development partners.
- How are saving and solving housing problems linked together? If you want to solve your housing problems but you don't have any savings, don't have any money, it will not be possible. Saving teaches people to look back into themselves for strength, and it teaches them the value of money, because it is their own money which they have earned and saved themselves. And when people are saving, they will know whether and when they are ready to build a house, and will be able to think about self-sufficiency also.
- So with Baan Mankong, it starts with saving. First people have to start saving their own money and building their own collective fund. Then, once a community has saved a certain amount of money, they can join the project and start preparing their housing plans. When they need additional funds from outside - like housing loans - they need to interact with others.
- To get a good house and a secure community, it's not just a matter of having enough money. People have to know how to earn, how to save and how to cooperate with others.
- In Khon Kaen Province, we now have Baan Mankong projects in the town of Chumpae (which has a total of eight projects) and also other municipalities: there are Baan Mankong projects underway or finished in 15 municipalities around the province right now.

Saving is a forum for learning : What do we learn from saving? We learn democracy, we learn about each other. And as poor people, we also learn how to manage funds, manage accounting and book-keeping, and about team-work. These are all very important parts of group savings.

Ms. Maew, Community network leader, Bangkok and vicinity

What are these various groups doing with their networking? In Bangkok and the peripheral areas, each community in each district will make a savings group in their community, and then their savings group will link with other communities at the district level, through a district-level community network. These district-level networks have an average of about 40 communities in them (there are about 2,000 informal communities in Bangkok).

- There are 50 districts ("khets") in Bangkok.

- If community organizations have any problems or needs, they can seek assistance from their district-level network. For example, if a community needs help with accounting procedures or financial management in their savings group, there will be some community leaders in the network who have those kinds of skills and can help. Or if a community involved in a Baan Mankong project is having problems with construction, they can get help from the network.

City-wide (provincial) networks: These 50 district-level community networks then link together at the provincial level into a city network (The Bangkok and vicinity area includes three provinces). This city-wide community network has three different teams, each covering a different geographical zone (with about 15 districts), which meet together once a month. Each of these three zone teams have teams of community "experts" who are available to provide support to individual communities on a variety of issues like :

- community management systems;
- community accounting systems;
- training for newly-established savings groups in accounting or fund management;
- carpentry, masonry, reinforced concrete, plumbing, electrical work, and overall technical "handy-persons" to help in various aspects of housing construction projects;
- housing and community layout design team; and
- accounting and auditing teams.

There is also a national network of urban poor community development, and this national-level umbrella network oversees all the provincial and city networks.

- Housing: The issue is that it is not possible to do it alone: we have to do it as a network process. That way, when a community involved in a housing project faces some problem (and there are always problems!), they can consult the network and draw on the combined wisdom and experience and skills of that larger network to work together to help solve the problem.
- This national umbrella network is divided into regions, and each region will have a network of provincial networks within that region. All these different levels link together and each level has certain tasks to help each other and share techniques at different layers of the people's movement: techniques and expertise with things like surveying, housing, Baan Mankong, welfare, etc.
- So each urban poor community is linked together through networks at district level, city level, provincial level, regional level and national level.
- And every city and every province finds a way to support the establishment and strengthening of community savings groups, as the basic, number-one building block of this people's movement. Savings is a must!

3.3 Questions for the Thai panel

3.3.1 *Question 1: How do the savings groups ensure the safety of the deposits individual members have made into the savings groups?*

(Question from Father Kevin in Fiji, where the savings is relatively new)

- Khun Amporn answers: This depends on the savings group process and how the combined fund is structured and managed. We have to have clear rules and regulations, and a clear accounting system which can explain the numbers and financial figures at all times. And we need to have evidence and systems for managing the accounting which all the members know and understand. This system has to be open to everyone and clear and easy to understand: but it shouldn't be a banker or some outside organization's idea of what is clear, but the system that the members can understand - it has to be a system that ordinary people can understand and can check! And we need to monitor the figures every month, so that the members will know where every single dollar they save is going.
- Ms. Adisara adds: In every savings group, we have to recruit our committee to manage the savings from the members who save, members who the group trusts and believes in. Then, we need to put all the figures of savings, loans, repayments, bank balance, interest earned - *everything*, up on a chart or send xerox copies to everyone every month, so everyone can see and

understand the figures. If it is a system everyone understands and we agree together, nobody will lose any money. All will be clear.

3.3.2 *Question 2: How can we acquire public land to make our communities secure?*

Ms. Malee Ohn answers : In order to acquire public land to solve our housing problems, first people in those communities with housing troubles need to gather together and have a clear process to survey their problems and their membership, start saving, and link with the larger city network. Because as a single community working alone, you can never negotiate for land, you can't talk to the land-owning authorities - nobody will listen to you or let you in the office! We can only make these negotiations as a large group.

- We need to have a city-level working committee to negotiate with any public land-owning agency, whether it is municipal, provincial or national. And this committee should be a joint committee, which includes different stakeholders: community representatives, maybe municipal and provincial officials - so that everyone from these different sectors will know the problems and give their comments and ideas. This is how to link the land problems into the policy level.
- In the city of Chumpae, because most of the informal communities were on Treasury Department land (with whom CODI has a memorandum of understanding (MOU) to help provide land for Baan Mankong), it was fairly easy to negotiate cooperative long-term leases to the land.

Box 6: Five steps to dealing with land problems in a city

Malee Ohn

1. Communities with land problems start saving and organize themselves internally.
2. Each community has to survey its own problems, survey all the families, get good accurate information about the community and the living conditions and land.
3. **Survey the land status of ALL the slums in the city and build an accurate information base on land for the whole city :** Have to study the land situation in every slum community in the city, and get accurate information about who owns what land, what is the status of the land occupied by each community, which communities are on land under the same ownership and can be negotiated together, etc.
4. **Make a community network and set up a mixed city committee** which includes community leaders, municipal officials, academics, NGOs, other stakeholders, to begin studying the city-wide housing and land problems, and develop a common understand of this information that the communities have gathered.
5. **Then the networks and the city committee can propose** which communities to ask for lease contracts to the public land they occupy, usually as a group of communities.

"Housing is the issue where you can't dance alone"

Because housing is more complex than many other issues of poverty, but is such a fundamental need of the poor, the role a fund plays can be crucial. In housing projects, you have to deal with things like land, construction, finance, infrastructure, building regulations, house registration, public land leases and issues of access. All these things are inextricably linked to city structures and to government systems, like it or not. Housing is not like welfare, where you only have to deal with finance. If we can find some way to get the government or the system to accept the people's process, and recognize it as a force that can help them do their job better, then we have a big space to move with housing. But if the government feels this is the big group is only antagonistic or out of its control, then any kind of housing project will be very difficult. (Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

3.3.3 *Question 3 : How to make formal sector banks understand the people's way of doing things?*

We may feel frustrated when commercial banks and financial institutions like the World Bank don't understand the way that community people do things. These institutions have a lot of money, but that money doesn't find its way down to the community level very often. How can we make these big financial institutions understand us and how can we make them lend money to our savings groups, to

expand our activities and allow us to develop in bigger and faster ways? (Question from Enhe, from the Urban Development Resource Center (UDRC) in Mongolia)

- Khun Amporn answers: In Thailand it's no different: these big financial institutions have rules and regulations that make it possible for poor villagers or slum dwellers to get access to their loans. And this is exactly why poor people gather together and create some kind of community financial systems to meet their needs. And gradually, we try to create a lot of tools to facilitate community-based finance to meet our needs in our communities, just by using our own collective savings, even without any external finance from outside. But now, formal financial institutions are beginning to link with our community savings systems and finding ways to form alliances and support each other. But in most areas of Thailand, community finance and this larger "public" finance cannot link in any way yet.

"We don't have to wait for the government or the banks to approve us! We approve ourselves!"
(Ms. Malee Ohn, from Khon Kaen city)

- Malee Ohn: We can disseminate our community finance systems to others, and show them how our systems can function properly, show them that we can have very efficient self-management of our own money and outside money also.

3.3.4 Question 4: How do communities get access to support from CODI? And are there any loan repayment problems?

(Question from Rose, from South Africa)

- Ms. Supanee: We are the only people to make ourselves visible. We have NGO supporters and CODI around us, but it should not be the duty of the NGOs or CODI alone to go to the government and negotiate for us! Enumeration can help us be visible.
- Ms. Malee Ohn: Savings is a mechanism that prepares us and helps us manage our various community initiatives, but the cooperative is the legal body we have to set up in our communities to get loan contracts from CODI.

4 Day 1 - Nov 10, 2007 Afternoon

Jockin: We are now going to introduce the African teams, and then the Asian teams. Then I'm going to ask Rose Molokoane to invite each country to report about their savings schemes in their countries. And after that, Asia. I am ready to tell all of you something about ACHR culture and SDI culture; we are not going to do everything like the NGO does. We always try to do the things that the communities initiate, we start the way they want to start. I want all of you to think - all your country leaders - when you come to present here, you will come stand and say, "*Ten savings schemes, twenty savings schemes, this and that.*" Can we say the same thing in a different way that you like? It could be a dance, it could be a song or a story, it could be a drama, it could be music or some action - something you have to do in five or six minutes which tells your stories, so not a single person in the room is going to sleep! If you only talk, everybody will go to sleep. I think all the ACHR and SDI groups are familiar with this kind of activity.

Rose Molokoane (Federation of the Urban Poor, South Africa - FEDUP) (First singing of a song about SDI, by the African groups!) I'm not going to talk a lot, because I am definitely sure that our countries have prepared themselves to come and give a slight report about their countries, whether with a play or a song or whatever. But before they come one by one, we have requested Diana to make it a bit formal - but not too much formal! - and explain a little background on the African savings movement. Over to you, Diana.

4.1 Diana gives a background to the African federations

Diana Mitlin (IIED in UK): For those of you who don't know me, I feel I should explain myself a little. Because I feel a bit strange - this white woman from England standing before you all, to give an overview of the SDI federations in Africa. This for me is a little odd. And I think I am here for three reasons:

- First, because I have been involved for a long time. It was the early 1990s when I first began going to South Africa that I was challenged by Rose and her colleagues about what the organized poor could offer to the world in terms of addressing urban poverty. And to me, it answered questions that I had had about the professional way of addressing urban poverty, which I could see was not working. So since 1993, when I first met the savings schemes which became the South African Federation, I've been involved in this process.
- And I'm also here because I work for this organization that Somsook mentioned briefly in the beginning called the International Institute for Environment and Development (IIED). And at this institute, we are trying to support SDI's work where we are able to, because as an institution, we feel that you have something that is very important to offer.
- There is one more reason why I am here. I have been invited by SDI to help them document the work of the urban poor funds. So I have been gathering bits and pieces of information that you have all sent to the SDI secretariat in Cape Town, to a Zimbabwean called Beth Chitekwe Biti, who has been working with me on this, and to me.

The first thing I was asked to share is a brief history of the development of the federations in Africa. So you can all see how many there are and how they have grown.

Box 7: Savings in Africa

- **1995: South African Federation formed :** When I first met with the South African savings schemes in 1993, they were not yet a federation - they formed their federation in 1995. The savings schemes had begun in 1991 following an exchange with India. In 1993 there were already thousands of women (and some men) involved in local savings groups.
- **1996: SDI formed :** And then the next year, something very important happened in South Africa: SDI was formed. A small group of federations came together and said *we want to work together*. These groups (from Cambodia, India, Namibia, Thailand, South Africa, Zimbabwe) had already had some interaction with each other. They recognized that, as people earning low incomes and living in informal settlements, they shared some problems and could help each other in many ways. So that was very important for the development in Africa.
- **1998: Zimbabwe Federation formed :** Then in 1998, the Zimbabwean Federation was also formed. South African savings schemes had crossed the border into Zimbabwe and had begun to share work they were doing. And the Zimbabweans were very excited, they saw the possibilities because they had struggled for a long time to get good housing policies.
- **1999 : Namibia Federation formed :** Then the following year, the federation was formed in Namibia. Namibia had its own special story, because people there had been working with savings schemes for many years, but they had not yet taken the step to become an autonomous people's movement. The Namibian savings schemes had been working with the savings schemes in South Africa and had participated in the founding meeting of SDI. Now it was recognized that the lack of an autonomous people's movement was holding them back. Their federation was established and immediately new activities started to develop.
- **2003 : Kenya Federation formed :** From the late 1990s onwards, members of savings schemes began visiting other countries regularly, sharing ideas with other people living in informal settlements. A lot of savings schemes went out to new countries and shared their ideas and began to spread their ideas at a regional level, across Eastern Africa and Southern Africa. So in 2003, the savings schemes which had been started in Kenya in the late 1990s also began to blossom, and they blossomed into their own federation.

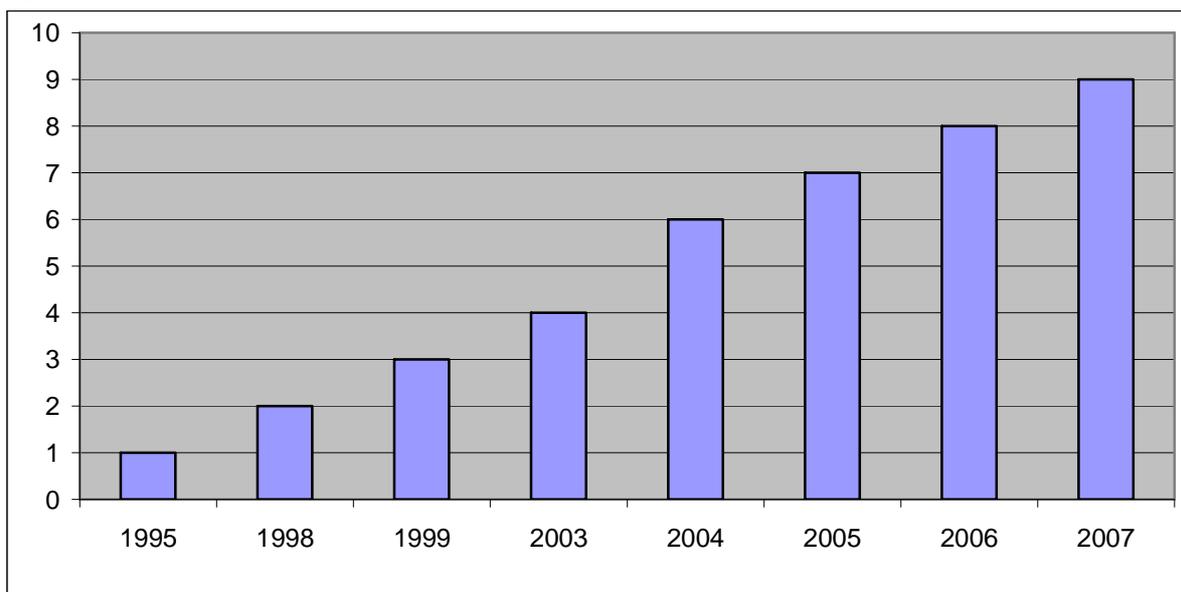
Continued overleaf

- **2004 : Ghana and Uganda Federations formed :** You can see from this story that things begin to speed up in terms of people meeting together, beginning to save and realizing that there are many things that they can do together to improve their lives. I think the change which Somsook was talking about this morning was beginning to gather momentum by this time. So countries started to join the people's savings process and more quickly become active. In 2004, the federations in Ghana and Uganda were formed. In Uganda the local authorities in Kampala had started savings some years previously; in Ghana savings schemes were much newer.
- **2005 : Malawi Federation formed.**
- **2006 : Zambia Federation formed :** By that time, there had also been savings schemes for some time in Zambia, but they had not come together and not formed their autonomous movement that they did in 2006.
- **2007 : Tanzania Federation formed :** The Tanzanian savings schemes had also been in place for some years. Activities began to consolidate and the federation was formed

This is only part of the story. As I said, by the late 1990s, people in these federations and savings schemes were beginning to spread these ideas to new places and new countries. And now there are many countries in Africa where savings schemes have been started, or where there is an interest. Maybe if we meet next year, or the year after, you'll be joined by all these countries and by the federations they will by then have formed. These are some of those countries :

- Angola
- Egypt
- Ethiopia
- Madagascar
- Mozambique
- Swaziland
- Sierra Leone

Figure 1: Growth in the number of African federations



So this is a little bit about the story of the federations. Somsook also asked me to share with you very briefly what are the kinds of problems that the federations in Africa have faced. Why is it that when the savings schemes started to go into a country, that people immediately said “Yes, there is something special about this and it begins to address our needs?” The African federations spread their savings schemes because people had real problems, problems they had to address, like problems of tenure security, problems of infrastructure and services, problems of improved housing. And African federations began to do that, and to do that at some scale.

So who's done what? I wanted to spend the last couple of minutes giving you a sense about what it adds up to, before you hear the country presentations:

- **Who does savings?** Of course everyone does savings, that's why they're here.
- **Who's got access to land?** South Africa, Kenya, Namibia, Zimbabwe, Malawi, Uganda, Zambia.
- **Who's also done housing?** One of the challenges that the African federations have to face is that land is a first step. People struggle sometimes to repay the cost of housing - housing which may take place incrementally and take more time. South Africa, Kenya, Zimbabwe, Malawi and Namibia. Very soon, two more countries will be added to this list: Uganda and Zambia, where they are both developing housing.
- **Infrastructure improvements?** Basic services are needed for all who start housing, and also for other countries also. People need access to services.
- **Income generation?** Many African federations are also starting to do work in income generation. But sometimes it's very difficult because people are very poor and they have no good training opportunities. So often, the income generation loans work best in the areas where there are big markets, like the Mbare Market in Zimbabwe and Toi Market in Nairobi. Some of the other areas struggle, and one of the things that many federations have been looking to do in their exchanges with Asia, is how to understand how to be more successful at income generation.

Table 2: Activities of the African federations

	Date founded	Comm. with savings schemes	Active savers	Savings	Houses built	Tenure secured (No of families)
Ghana	2003		12,000	-	0	5075
Kenya	2000		20,000	\$50,000	100	1,000
Malawi	2004	1000	30,000	1 million kwacha	770	1,770
Namibia	1992		18,252	4529927	1,500	3,500
South Africa	1991		50,000	\$1.5 million	13,100	20,000
Tanzania	2004	18	1,700	\$55000	0	500
Uganda	2003		500	\$2,000		109
Zambia	2002		14,000	\$18,000		1,000
Zimbabwe	1995		45,000	Z\$280 million	1,000	8,500

A last thought on the impact of federations in Africa : That's the very brief overview I wanted to share with you. But I'd like to conclude on one thought: When I think back to my own experience, before I got involved with the federations in Africa, I had visited low-income communities in Africa many times, and many of them had some kind of organization. But those organizations were unable to take forward their ideas. They were very unambitious. They didn't work together, and they competed against each other, to get access to local development programs. What the federations in Africa are showing to me is how very poor people - people who have been pushed away by other members from society - can come together and find a way to address their needs, find a way to talk to their government ministers, find a way to convince their local authority officials and politicians that they have got something to contribute, and that they are going to be central to any development process that is going to be successful in addressing the needs of the poor. This is a story that you all know very well, but this is what I have learned from the federation. *Thank you.*

4.2 Country reports from Africa

4.2.1 Country report from the Federation of Urban and Rural Poor, South Africa

(singing!) My name is Kedibone, from South Africa. Our organization's name is the Federation of the Urban and Rural Poor - FEDUP).

- Savings : We started in 1991, and we have 50,900 members now, in 800 savings schemes. We are operating in nine provinces in South Africa, in too many cities to count! We have 1.3 million Rand (about US \$ 185,000) savings in the bank. We started our Urban Poor Fund in 2004. We have daily meetings, whereby our collectors go door-to-door to collect savings deposits from our members. And then we have weekly meetings where our savings schemes meet. We also have monthly meetings, where our regions meet - then we get the reports from exchanges, from the government and the statements from the savings schemes. After that, we have national meetings at least once a year, where all the savings schemes from all the regions meet. And we have different kinds of savings: savings for house building materials and savings for education.
- Houses: We have built 15,300 houses in South Africa so far.
- Land tenure: And 15,000 families have benefited from getting secure land tenure in our planned land plots.
- Infrastructure: Everyone with a house so far has got a flush toilet. We also have tried to build Indian-style community toilets: we have built three blocks of community toilets so far.
- Partnerships: (Rose adds) About our partnerships with government: we are working in partnership with many different municipalities in all of the nine provinces. And the most important partnership we have created is the one with the national Department of Housing, where we have signed a MOU with our Minister, along with our SDI President Mr. Jockin.

New housing mou between the federation and the ministry of housing

This MOU is not just a piece of paper that we have signed: the Minister has pledged an amount of 285 million rand (US\$ 38.3 million) directly towards us as the *Federation of the Urban and Rural Poor*. We are going to use this money to build houses. We have started to prepare projects in nine provinces. So before the South African financial year ends in March 2008, we will have started nine projects in all the nine provinces. We have what we call the *National Joint Working Group*. We are trying to formulate something that is like CODI. And I think the interference of the Thai federations and Somsook will be very vital to come and help us in South Africa to strengthen this structure that we have started with our government. So far, we've got this Joint Working Group, which includes :

- The FEDUP Federation.
- Representatives from the Provincial Housing Departments.
- Representatives from the National Housing Department.
- Representatives from the municipalities that have agreed for us to implement these housing projects in their cities.

This new four-legged animal needs to be nurtured, in order for it to be progressive. We also have provincial Joint Working Groups in all the nine provinces. And then with different municipalities where we are going to build houses and secure land, we also have Local Joint Working Groups. All this structure is like a skeleton without flesh. So we are pleading with the Thais, to come and put the flesh on this skeleton in South Africa with your ideas!

Box 8: Views from South Africa

Rose on problems with the federation: We did have a problem with the entire federation in recent years. Some people may say: "All along you were saying you were 100,000 members, and now you are saying you are only 50,000 odd members - what happened? Yes. Every time if you have an upset stomach, you have to go to the toilet and shit, then you will become healthy again. That is what South Africa has done. We had a running stomach, we went to the toilet, we shit, and now we are healthy again. If you want to know more about the shit of South Africa, consult me later by e-mail.

Continued overleaf

Evelyn Benekane (Joe Slovo, South Africa): The best thing about the federation is the way it empowered me by giving me knowledge of things that I thought I could never do, that I always believed only professionals could do. Now I negotiate directly with the government. I do personal and community banking each day and I have a house and I have land to accommodate 2000 families.

Zolile Solwandle (Joe Slovo, South Africa): "One day someone told me about the federation and I joined. They have given me a lot of knowledge. I have technical knowledge on housing building. I learnt how to make quotations, how to speak to people, how to negotiate with suppliers. My hope is that everyone gets a house. A house is very easy to build if everyone works together.

Noluthando Mbaliso (Joe Slovo, South Africa): We have started building 56 houses with a loan from Utshani. The federation has been very good for me. I am a happy member as I am respected by politicians, government and officials! I raise the voice of the poor proudly, because ultimately we built our houses through our own hard work and savings.

Nonhlanhla Mbatha (Piesang River, South Africa): Joining the federation has taught me many things, and allowed me to share my problems with other members and get solutions. Now I have my own house through FEDUP. Getting this house means a lot to me since it takes me out of poverty and heavy pain! And my voice can be heard as a collective rather than as an individual. This has given me power I never had before.

Source: SDI, 2007

4.2.2 Country report from the Shack Dwellers Federation of Namibia

I am Dorothy Zeizo from Namibia.

- Savings : In our federation in Namibia, we have 434 savings schemes, with 21,500 members in six towns and the capital city of Windhoek. We have saved 4.3 million Namibia dollars (US\$ 573,300).
- Houses : the federation has built 1,300 houses.
- Land tenure : 2,962 households have gotten secure land.
- Government support : We are having the fund called "Build Together Fund" from the government. Build Together supports shack dwellers through our own federation's Twahangana Fund, which gives loans to federation members. For the last six years, the government has supported us with 1 million Namibia dollars (US\$ 133,000) every year into the Twahangana Fund, with a total of 6 million Namibia dollars (US\$ 800,000) from them so far. We have signed MOUs with some of our local authorities.
- 78 per cent of our members are women.
- (Edith Mbanga adds) : Our savings has changed the policy of the government in Namibia, and also the policies of the private sector..

4.2.3 Country report from Zambia Homeless and Poor People's Federation

(Viva Thailand!) My name is Chola Bwalya. I am from the Zambia Homeless and Poor People's Federation. I am from a Housing Savings Scheme in Lusaka.

Savings : In Zambia, the federation has managed to capture all nine provinces in the country, and all 15 major cities in the country. Only a few towns are left. We have 6,000 members as of now. We have three kinds of savings:

1. Monthly Urban Poor Fund savings - members save monthly 8,000 Zambian kwacha (US\$ 2). This money is only to be used towards building our houses, as a federation. We have banked 152 million kwachas, which is equivalent to about US\$ 40,000.
2. Daily savings : The daily saving is the money that the poor communities are contributing on a daily basis, and this is the money that we use to give each other small loans. We use this money to send our kids to school, to help our friends who are starting small businesses. We are doing this to demonstrate our capacity to manage our own resources. The total amount of daily savings we have banked is 103 million kwachas, which is equivalent to about US\$ 4,415.

3. **Health and Social Fund Savings:** In Zambia, there are a lot of problems where health issues are concerned, because of HIV-AIDS. In the federation, we have a lot of friends who are suffering from HIV-AIDS. So we decided to start contributing something towards health issues. We have managed to save 10 million kwachas so far (US\$ 4,510). The total is not too good because we are using this money every day. When we go around collecting the daily saving, we are also collecting people's problems. When we find that one of our colleagues is sick, we can use these health funds to send them to clinic or to buy medicines. Sometimes, if one of our colleagues dies, we can also use this money to buy a coffin and for transporting the coffin to the cemetery as well.

Partnership with government: In Zambia, we have managed to create a good relationship with our government. We started in 2001, but due to some circumstances, we were not known. By 2004, we started being involved in other international exchanges to expose ourselves to other federations in Namibia, South Africa and Zimbabwe. We are engaging with the government and the local authority. Because we are such organized communities, the federation is now part and parcel of the Habitat Forum, under the Ministry of Housing and Local Governance. And we are planning to negotiate with the government so they can be part of our work, and so they can support our work financially with their annual budgeting.

Land and housing : So far, we have negotiated for 414 plots, and we have built one demonstration house already on one of these plots. We have been delayed because there is a lot of paperwork in Zambia, which was supposed to be done by our government. But in Kalalushi, where we have 140 plots, we have managed to make more than 40,000 bricks, which will be enough to build at least ten houses, which we will build ourselves, in phases to make it affordable. We will start by building ten complete house foundations, then we will go up to the window level in the houses, then to plinth and roof levels.

Commercial plots: We have also negotiated for some commercial plots for shops and a market and some other purposes. We would like to use these commercial plots for income-generating activities. We have five commercial plots and one plot for the school, two for the market, and three for common toilet and bathing blocks.

Health Day: Every month we go screening to help the sick.

4.2.4 Country report from Malawi Homeless People's Federation

My name is Sarah, from the city of Lilongwe in Malawi. I think if you could see the African map, you could probably find Malawi, but this is not easy, because Malawi is very small. In Malawi we have 26 districts in three regions - all of them have the federation. We are the Malawi Homeless People's Federation, and we have 45,000 members.

- **Savings:** In our savings we have got 45 million Malawi kwacha (US\$ 313,150) which is all rotating as loans to members.
- **Urban Poor Fund:** In our fund, we have 110 million kwacha (US\$ 765,480)
- **Houses:** So far, we have built 770 houses.
- **Land:** Our government has given us 3,000 plots, on which we are to build on in the future.
- **Relationship with government :** We have got a very good relationship with our government. In October 2007, we have signed a MOU with them to work together on issues of housing.

Box 9: Views from Malawi

Mary (Chilindi, Malawi): We came to town for a better life. But it is a troubled life. We are alone. We rent this broken house, without it we are homeless. Because we only have little money sometimes, we are not secure in our living. We are prisoners of our poverty. There is no-one to talk to, no-one to share my troubles with, no-one to discuss solutions with. I joined the federation and learnt to save and loan. The savings group women all know each other. We all help each other in our troubles. We sing and dance! In our group, we share ideas, so many ideas. We are rich with ideas.

Rebecca Laison (Chilinde Slum, Malawi): Town was a shock for me. When I first arrived I did not know anyone, I had no friends and I did not trust anyone. I saw how everyone in the town was fighting each other to get a piece of bread to get a job. Now I am in the federation, no mistake! I have now very good friends. We share ideas and advise each other on business. We help each other. From my friends I learnt how to bake, how to make shoe polish, how to grow mushrooms and make soaps to sell. I learnt how to make slabs for the federation houses and toilets. This is my group, I belong.

Sarah Malenjeka (Tandile, Malawi): My dream is to have a nice house that no-one can evict us from. I want that security. I want to have a business to grow, to go to sea and get fish. Open a fancy food shop selling more than tomatoes! Through the federation I can talk to Ministers directly, I can go to the City Assembly and talk freely. I can go anywhere. The federation has given me this confidence and the federation has opened many doors for me. It has even opened a door to for the Minister, but it has opened many more house doors for the poor!

Merry Litete (Blantyre, Malawi): I joined the federation in 2005. They have helped me a lot. They have taught me to save and loan as well as some basic business practices. Before I had no capital, now I can borrow capital from them at an affordable interest. Cash, cash, cash! That's how we make our living in the city.

Egreni Sisero (Blantyre, Malawi): I was contributing so well to the Mchenga Fund that the federation gave me a house. It will take me eight years to repay the house, but it's my house. No more rent!

Source: SDI, 2007

4.2.5 Country report from Kenya Homeless People's Federation

(Viva everything!) My name is Phelics Ongonga, from Kenya.

- **Savings:** In the Kenya federation, we have 640,000 savings members. We have managed to collect 41.3 million Kenyan shillings (US\$ 576,400) in savings. But the savings system was not doing well; people were starting saving schemes and doing their daily saving, but due to mismanagement of the funds, it wasn't going far.
- **New FDFs:** So by last year, we sat down and came up with "Mungano Development Fund (MDF) teams" - in all the cities we have formed FDFs now: Kisumu, Nairobi, etc. So this is where we are now banking all the savings money from the savings schemes. And every savings scheme has a representative on the regional committee of the MDFs. So the committee has financial teams, enumeration teams, auditing teams, welfare teams and savings teams. All these teams and all the skills in the federation have representation in these teams. Now we are moving very smoothly, and there is no problem. The only problem we are facing is the deficit of funds - so many members but so little capital. And we need the capital to encourage people to earn more, so they can save more.
- **Loans:** And we have managed to give out loans to 500,000 members.
- **Land and housing:** We have built some houses in Kembo (Nairobi), Itahore, Mahera and Ateriva.
- **Toilets:** We are in the process of constructing three community toilet blocks in the city of Kisumu, where we have three local networks. We call them the bio-tower toilets. After they are completed, they will be managed by the local regions.
- **The federation:** With the federation, we have the structure with five teams: savings and loans, enumeration, auditing, welfare and land and construction.

- Collaboration with government on upgrading slums : Last month (October 2007), the federation had a meeting with the Ministry of Lands in Kenya. We signed an MOU that all the lands that are occupied by federation members in Kenya will be allowed to do their upgrading. But now what is taking place is enumeration so we can know the number of occupancy and very soon the upgrading projects will be on.

Box 10: Views from Kenya

Pauline Wangui (Huruma, Kenya): We lived in a shanty in Kambi Moto and in 2000 there was a big fire in the settlement. Everything was burnt. It was a tragedy. No one died luckily but it destroyed everything. Homes, possessions, the lot. This depressed me. This fragile living. Our shanty home was gone. We had nowhere to go and nothing to eat and nothing to wear. Today I live in Kambi Moto Muungano Village. After we were given title to the land, we built the houses ourselves. That day was the happiest moment, when I entered my very own house. A real house! Now the kids are also secure.

David Maina wa Mwangi (Huruma, Kenya): I joined the Muungano in 2003 and have done some work collecting money. The Muungano has helped me get a house and know about other slums. Life in slums is hard. A few years ago my house burned down and I lost everything, including all of my belongings. My happiness is that I live now in a permanent stone house.

Source: SDI, 2007

4.2.6 Country report from Slum Dwellers Federation of Uganda

I am Mubazzi from Kamapala District, in Uganda. I am the collector in my community. Uganda is still a very young federation. We started in 2002, but because we didn't have a good support, a lot of the first savings groups failed. In 2006, when Act Together Uganda (a new support NGO) was formed, we started to save again.

- Savings: We have 5,500 savings members now, and have banked 32 million Ugandan shillings (US\$ 18,750).
- Partnership with government: We are in a very good relationship with the government. They don't give us any resources or services yet, but we have good relations and support from them.
- Land: We have acquired two house plots in Kampala, and one in Jinja.

4.2.7 Country report from the Zimbabwe Homeless People's Federation

(Song: "We have to thank the name of our women, and we have to thank the name of the federation") My name is Sheela Magara. Our federation in Zimbabwe started in 1997.

- Daily savings: We are doing daily savings mostly - daily collecting - that means collecting money and collecting people and problems in the community (also some weekly saving, but no monthly saving). We have 304 savings schemes in Zimbabwe, with 45,000 members working together. We save for housing, for welfare, for materials, for a better future, for infrastructure, for many purposes and issues.
- Gungano Fund: The federation's National Urban Poor Fund. All the savings schemes also save a certain amount for the National Urban Poor Fund.
- Big evictions: But the number of our members is now decreasing, because of what has happened since 2005, when the government carried out a big eviction drive, called Operation Murambiatsvina ("Drive out the filth"). Currently, the whole national federation is doing an enumeration, to find out how many we are left with after these terrible evictions and displacements under Murambiatsvina.
- Partnership with government: Our federation is working with 32 municipal authorities in nine provinces (out of a total of ten provinces in Zimbabwe). After the big government eviction drive in 2005, our membership decreased a lot, but we didn't stop our dialogue with the government. It has been very tough for the past seven years; it has been very tough in Zimbabwe! The government wouldn't give into anything, they wouldn't open their doors to us, they wouldn't understand anything about the urban poor.

- Breakthrough with World Urban Forum in Vancouver, Canada, in June 2006. Until we met with our own Housing Minister at the World Urban Forum in Vancouver, and had a negotiation with him that would not have been possible in Zimbabwe, with facilitating help from our SDI friends. That's when the Minister agreed to give 5,000 house plots to the federation and made a declaration to this effect and signed an MOU right there in June of 2006. That meeting was witnessed by federation leaders from other African countries and by the Housing Minister of Namibia and Malawi! So we had a lot of support for Zimbabwe at that meeting! So I think we can now report that the relationship is working, and we have already got almost 500 plots from that declaration of 5,000 plots. Our government has no money, so they can only offer us land, and the federation is now identifying empty land with all these different local authorities, suitable for housing.
- Land and houses: We have negotiated for, and been given by the government, 4,000 land plots, and are building 1,400 houses (600 are already completed).

Box 11: Views from Zimbabwe

Wurayayi Magwidi (Hadcliffe, Zimbabwe): In 2005 the government destroyed everything here. They moved us to Caldonia Farm. They told us we had to get out because there was no water, no sewerage or services on this land. But it was not so. Some of us who knew construction investigated. And we found water mains and sewerage pipes. They were here all along. So we came back.

Sekai Catherine Chiremba (Crowbrough, Zimbabwe): What gives me strength is the federation. I joined in 1998 with small crisis loans. This helped me, especially sharing with the others. Hearing other's problems, you compare to your own and you realise that things are not so bad. We give each other courage. I got my stand in Crowbrough in 2003. Instead of enjoying my stand I cried! I thought: how am I going to pay for my stand? But Beth said: don't worry, you are in the federation. And surely, now I am living happily in my house.

Source: SDI, 2007

4.2.8 Country report from the Tanzania Homeless People's Federation

(Singing!) We are having savings schemes and we give loans to our members. So far, we are working in three regions: Dar Es Salaam, Arusha and Dodoma. In Tanzania, we have not managed to get land or build houses yet. And we have people in Dar Es Salaam who are being evicted to make way for urban development projects. So we have applied for 500 plots for these evicted tenants, because the government is compensating only the owners of the evicted structures. But most of the people in this settlement are renters, and the problem is that our government housing policy does not recognize tenancy rights, only structure ownership rights. We are also working on water supply and garbage collection.

4.3 Country reports from Asia

Celine D'Cruz introduces the Asian savings groups: Many of the Asian savings groups are quite old - many are 20 or 25 years old. Some of them save in small groups, some save at the community level, some save at the city level. So we have different examples of savings groups throughout Asia. We have savings groups that have started, like banks and micro credit institutions, and we have savings groups that have started because eviction and housing. We have savings groups that have started as micro credit organizations but have moved to building federations. So we have all kinds of different savings groups with different interests, who have, over time, evolved into different things, depending on their city and national contexts. So I would invite all the Asian countries that are here - one representative each please come to the front. We're going to do it a little differently than the Africans.

Table 3: Activities in Asia

Country	Year started	Number of members	Number of towns and cities	Houses built	Tenure secured	Total savings
India	1985	52,690	56	35,000	35,000	US\$ 900,000
Sri Lanka (Women's Bank)	1989	60,000	200			US\$ 6.7 million
Thailand	1992	1.5 million	225	23,898	42,111	US\$ 44 million
Cambodia	1993	15,460	14	700	5,000	US\$ 238,268
Philippines	1995	47,930	26	547	26,166	US\$ 1.4 million
Nepal	1997	6,710	9	44	44	US\$ 601,439
Sri Lanka (WDBF)	1997	50,000	22	50	120	US\$ 9.09 million
Vietnam	1999	29,633	8			US\$ 974,000
Lao PDR	2000	33,691	12			US\$ 2.15 million
Indonesia	2002	5,006	10			US\$ 19,606
Mongolia	2005	875	14			US\$ 15,353
Fiji Islands	2006	30,000	1			US\$ 5,600
TOTAL		1.83 million members	597 towns and cities			US\$ 66 million savings

4.3.1 Country report from the National Women's Savings Network in Lao PDR

Thank you for inviting us to come here. This is a great honor for us to come here to this forum - a first time for us. We have a savings program which started with poor women in our villages. Starting the savings groups was our idea, but once the government knew about our program, they came in and have given us support, through the national Lao Women's Union. We are also supported very strongly by the Thai Community Savings networks, and by CODI. This kind of a forum, with savers from so many different countries, gives us a lot of knowledge and ideas to bring back to our country and to develop our country. Because we may all feel a little sleepy after lunch, we are going to help liven you up with a song, and dance a little bit.

- 201 village savings groups ("*ton ngun*" in the Lao language) are now active in 12 districts, in five provinces around Lao PDR, with 28,000 members, and savings of US\$ 1.7 million (*all of this money in circulation in loans, nothing stays idle in the bank!*).

4.3.2 Country report from the network of community savings groups in Mongolia

Enhe Tsendorj (*from the Urban Development Resource Center*): Mongolia is located between Russia and China. The area is about 1.5 million square kilometers, but we have a population of only 2.7 million people, of which about 70 per cent live in ger areas [informal settlements on the outskirts of towns and cities, where people usually first erect big round tents made of canvas and wooden poles and lined with woollen felt. These tents are the traditional dwelling of Mongolia's nomadic herds people and are called "*gers*"] without basic amenities like water and sewage facilities. Temperatures are very cold in winter, so how important it is to have very good housing!

- The work we do takes place in two different areas: Housing in formal areas of the city, and housing in the informal ger areas in the outskirts of the city. About 70 per cent of the people in our cities live in informal ger areas, where conditions are very bad, with no infrastructure at all and very poor quality housing. We are the people who are trying to bring about change in these areas.

- The ger is our traditional nomadic shelter, which is used for all the time - for winter or summer as well. In a ger, everything is inside the one big round room: kitchen, living room, bathroom, bedroom and everything.
- We have started our savings in August 2005 with ACHR support. Two years later, we have now over 100 savings groups in 14 cities. And the total savings is about US\$ 15,000. Compared to the other groups, this is quite a small number, but it means a lot for us, because people start to understand each other and the local government structures are starting to recognize those people who never had access to the government. People have become very proud that they have enough to save and enough power to change their lives.
- We have developed a small community development fund in Mongolia. And so far, we have more than 100 savings groups in 14 cities, and people are just starting to know how to save, how to spend and how to share information with each other.
- This community savings process is very important for our country, because we were under the socialist regime, which was a very top-down system, for 70 years. So since the 1990s we started to work on how to build independence in our communities. This is the approach which we are learning today, which is very important for people in the ger areas.
- In 14 cities we have the savings groups, with a total combined saving of about US\$ 60,000. And people are starting to learn how to manage the money together, and besides are starting to get group loans. Most of the people in the ger areas never had access to any formal housing finance or to loans of any sort, so they are starting to get some small loans from the savings groups this way.
- We started only two years ago, so we are a two-year old baby: But even though we are only two years old, we can sing. So we are going to sing you a famous Mongolian song about riding the horse (horses are very important in Mongolia!).

4.3.3 Country report from the Mahila Milan women's savings collectives in India

My name is Banoo, from Bombay. I live on the sidewalks, and the first savings groups in Bombay started with the pavement dwellers. We started off with 536 families, and we've saved over 25 years. We just got land from the government last year, we were able to construct our houses. And as you know, it's not easy for pavement dwellers to construct their own houses in Bombay. Over time, while we were waiting for land, our group spread Mahila Milan and spread the savings idea - not only around Bombay but in 70 other cities around India, and in countries all over Asia and Africa.

4.3.4 Country report from the Homeless People's Federation Philippines

My name is Brisa, from the Homeless People's Federation. In the Philippines we have 70,149 individual members. Our savings started in 1991. We also have different kinds of savings, like daily saving, saving for housing, savings for loans. And our urban poor development fund savings is 1,533,000 pesos (about US\$ 35,000). Our community savings for loans is 159 million Pesos. We have 22 cities and municipalities in the federation. We have acquired land in 12 projects, and built 563 houses. We also have our own welfare program, for elderly persons, for children with disabilities and for scavenger children. Our relationship with the government is not so good. At the national level, we have the Housing and Urban Development Coordinating Council (HUDCC) - this is headed by our vice president. And the National Housing Authority, for Northrail project, in terms of community organizing and social enumeration. For the local government unit, only in Iloilo City we have strong relationships for our community upgrading and our Community Led Infrastructure Finance Facility (CLIFF) project.

4.3.5 Country report from the Women's Savings Network (Nepal Mahila Ekta Samaj) in Nepal

My name is Kumari Singh Khadka. I'm from Kathmandu Nepal. I have been involved in savings for a very long time. Savings have given me an opportunity to come to places like Thailand, and also to meet all of you from different countries. *Let's drink very little, let's laugh a lot, and let's save a lot more than that!* (She pulls a folded-up paper with the savings figures out of her bosom, where she's kept it! Much laughter!) We have 7,000 savings members, with total savings of about 40 million rupees (US\$ 600,000), and 102 million rupees given in loans (US\$ 1.5 million).

4.3.6 Country report from the Orangi Pilot Project in Pakistan

We come from different organizations, but most of us are linked to the Orangi Pilot Project (OPP). The OPP is working with grassroots communities and has different programs in housing, sanitation, water supply, education, micro credit, health, forestry, and capacity building of small NGOs and CBOs (community based organizations). OPP began working to strengthen the poor community people in Karachi, but the work has now spread to the whole of Pakistan. The main concept is that it is mostly community people who do the training and who set the systems for resolving their own community problems, not outsiders.

- Housing and sanitation program: Providing training to poor communities and guidance on the site of construction, making maps, proposing the work, helping with engineering of drains, estimating, etc. The replication of the OPP community-managed sanitation and sewerage project in other areas and other cities in other provinces is done by teams from poor communities in Karachi.
- Education program: We give interest free loans of 15,000 each to residents in informal settlements to start small schools or to upgrade existing tuition schools and upgrade the quality of their teaching through teacher-training programs.
- Health program: Another big OPP program provides training in health issues, especially health of women and children.
- Community professionals program: OPP also provides training to young people from the settlements to learn to become technical assistants in the housing and sanitation projects, so they can survey, prepare engineering plans, housing designs, etc.

4.3.7 Country report from the Women's Bank in Sri Lanka

My name is Rupa. We started in 1989, and are now working around the country in 21 districts, with 60,000 members and savings of about US\$ 6.7 million. Besides saving for small livelihood and family-need loans, we have a housing development fund and a welfare program.

4.3.8 Country report from the Women's Development Bank Federation in Sri Lanka

Started in 1997, now has 50,000 members and total saving of US\$ 9 million.

4.3.9 Country report from the national network of community savings groups in Cambodia (called in Khmer "Sokhadom Romnea", which translates as "Holistic Happiness Network")

The community savings movement started in Phnom Penh in 1994, and has now spread to 14 provincial cities around the country, with a total of about 12,000 members in Phnom Penh, and 3,500 members in the other provincial towns and cities, and a total saving of about 953 million riels (US\$ 238,300). With support from the Urban Poor Development Fund (UPDF), which was set up in 1998, these community savings groups have so far built 2,798 houses and upgraded 158 poor communities in 12 cities, benefiting 19,208 households.

4.3.10 Country report from the savings network in Indonesia

The savings process within the Indonesian UPLINK Network (Urban Poor Linkage) is still young, but is now active in ten Indonesian cities, with about 5,000 members and total savings of about US\$ 20,000. We haven't started giving loans yet, only saving.

4.3.11 Country report from the eight Provincial Cities Savings Network in Vietnam

The community savings process is now active in eight Vietnamese cities, with about 30,000 members, and total savings of about US\$ 1 million. Each of the eight cities also manages their own Community Development Fund, which provides a little external capital loans to the savings groups, to increase their lending capacity. The savings process is about to expand into more cities, through a new partnership with the *Association of Cities of Vietnam (ACVN)*.

4.3.12 Country report from the Fiji Islands

(Father Kevin Barr speaks, while the community participants act out a little drama on stage) The savings process in the Fiji Islands, in the South Pacific, started just a year ago, but already has 30,000 members, most living in informal settlements in the capital city of Suva. They have about US\$ 5,600 in collective savings so far, but have not yet begun giving loans.

- We didn't begin with savings. In Fiji we live in a male-dominated society. We also live in a society where there is strong Fijian ethno-nationalism wanting to exclude Indo-Fijians from the life of the country. And above all, we have a culture of silence, whereby everybody listens to the decisions of the chiefs, the government and the church, and they are afraid to speak out. People lack initiative and responsibility. They are silent, and they rely on others to make decisions for them. So the chiefs, the government and the church tell people, keep quiet!
- In our work with communities, we did not begin with savings. Rather, we tried to address the problems of the small, poor communities through social analysis workshops. The people analyzed their own problems, set their own priorities and decided what they should do. They became empowered. That great word - empowered. They decided that our society needs to be inclusive of Fijians and Indo-Fijians and people of other races; that we live in a multi-cultural country where we need to accept everybody. We needed also to get the government to work with us, and not against us, so that we, the people, would participate in decision-making.
- The priorities that people in poor communities set were to acquire secure land tenure, to improve the quality of their housing and to provide for the education of their children.
- In order to achieve these three main goals, they said "We must save". The decision came from them, not from us. It was their decision to save, in order to achieve their priorities. And we, as an NGO, are hoping to build with the Citizens Forum, a society that is just, compassionate and inclusive.

5 Day 2 - Nov 11, 2007 Morning

In today's session (also held at the CODI office), the meeting divided up into smaller groups, for more focused discussion on several themes which have emerged in recent years from the savings and credit movement around the world. We present here the detailed discussion from four of these sub-group discussions: savings; community funds; networking and partnership; beyond housing.

5.1 Discussion notes from the sub-group on SAVINGS

What are the weaknesses and strengths of savings? What are some examples of where the savings schemes have been successful and where they have not been so successful, not growing? And how can we make the savings process stronger?

5.1.1 What are the STRENGTHS in our savings schemes?

(Thailand): The strength of the savings group is that everybody can participate, and everybody can be involved, especially when we are preparing to start a new housing project. Before, we didn't know anything about accounting, but we've learned a lot through the group savings process and through the housing process. Once we can get organized and set up the Baan Mankong project, the first step is to start to save in the community. So we have learned that even if we don't have any knowledge, we can still do something. So we build up the community with our own hands. And we know how to save, we know about the welfare system, and we know about how to solve problems of debt.

(Thailand): The accounting systems we develop through the rituals of saving is the most important aspect for the poor. We fight very hard in order to be successful with our management of money - of our household money, and our community money. Before we learned how to do the accounting system, we did not know about saving. But now we know which portion of our income we can spend, and which portion to save. All this has to do with how we manage our money and how we make our

accounting system. So the accounting system is a way to help us understand how to save, how to live within our means.

(Thailand): We can use our group savings to deal with people's problems of informal debt : We have to pay very high interest (about 20 per cent per month!) when we borrow from informal money lenders. In this way, when people borrow a small amount, it can quickly turn into a very large debt. Once we have a proper accounting system in our savings group, we can try to eliminate these informal debts with our members, by paying them back with our savings and with loans from the group, little by little. In Nakhon Nayok Province, we are the first province where the community network has been able to solve the problem of informal debt - nearly 9 million baht of informal debt has been repaid and the debts eliminated!

(Thailand): The saving process helps us learn to manage money well, and that includes learning to live within our means and to make do with more modest things. In our community, we decided that we did not need to go deeply into debt by building big houses; we need only small houses, and everybody has different budgets.

(South Africa): The strength of our saving is that we save DAILY. I support daily saving, because with daily saving, we are collecting money, collecting information about all our members (like who is sick and needs help, or who is elderly and isolated, or who has nothing to eat, so we can help them immediately) and also we meet frequently, because every evening you go to each house to collect the money. We also sometimes have old people staying home alone in the settlements, and when we visit them every day for saving, we will always meet with them and see how they're doing. For we are slum dwellers who earn little, we are not able to save weekly, because our money is small and we have many problems. So we save daily - even if it is only five shillings. And that is making our savings strong. Weekly and monthly saving will bring weakness to our savings.

(Uganda): What makes our savings strong? To have trust amongst each other, and to practice transparency in how our collective money is managed.

(Lao PDR, Luang Prabang): In my community we have both daily and monthly saving, according to the jobs and earning patterns of the members. We live near the market, so we have organized a handicraft-making group to increase our incomes. The strength of the savings group is that we have built up our unity. In our group, if I am the treasurer, I will give a report on the financial figures in the meeting so the members will all know how much we have saved, how much we have given in loans, how much has been paid back, etc. That is our transparency, and everybody will trust me if my report is correct.

(Indonesia): One strength is that the savings group increases the critical thinking of the members, and gives them a way to organize themselves well. The members can solve their own problems, such as education or health problems. Members can also do advocacy activities together.

(Lao PDR): One strength of the savings group system is that, in Lao PDR, there is a government policy that if you want to borrow money to build a house, first you have to get a group of 200 households to be members of your group, and only having the group system will make you eligible to apply for the assistance from the government.

(Thailand - Chantaburi): The savings process has many strengths;

- The savings group can increase equality between men and women, because women can be the ones who manage the savings group. Women can do it, instead of letting the men be the chairmen of the group.
- The groups will arrange for the day to meet once a month, and on that day, everyone can come to save and to see each other, listen to the problems, so that's a very good system for communication and for mutual understanding and mutual helping.

- The savings process can also build up a lot of capable persons and build up a better way of life. The saving group creates a community of caring for each other - they know each other's problems and try to help each other out.
- We set up networks of savings groups within the sub-district, within the districts and within the whole city, so this is a way of bringing all the poor in the city together.
- The strength is that the group feels very proud of their collective achievement.
- The accountability within the savings group is not only between members, but each family should also have an accounting system and a system for keeping within a budget to manage their resources for everyone's good - inside the household. The community savings system can help members / families do this.

(India - Shakoor): Without savings, there is no community organization, no community fund! Because of the savings, we were able to come together as a community, and because we have the strength of the money, we are able to take loans. And now we are able to think of it as a fund. Since we started Mahila Milan in 1986, savings has become like the breath that we take every minute. We can't talk about anything - any activity at all - without thinking of savings. That has become our habit and our strength. And we have seen that when we put our money together we are able to attract outside money. And from morning to now, everybody in this room is only talking about doing savings in their own places - for me that is the biggest lesson. Because of savings, we can get land, we can get a house, we can get an education for our children. If we don't have savings we can't think of all these things. It's only because of the savings that we can think of a community fund and of a big fund.

“The reason savings and credit are so exciting is because they create a community fund at the most local, most immediate community level. Suddenly that fund allows people a new freedom which they have never experienced before, within their own "community constituency." This collective resource gives people a certain power.” (*Somsook Boonyabantha*)

5.1.2 *What are the WEAKNESSES in our savings schemes?*

(Thailand): The main weakness in the savings process is dealing with repayment and with debt. Each community sets its own system of saving, and we find that we always have a lot of problems in places where communities save monthly. In places where communities save weekly or daily, the problems are much, much less - these are the best systems. Why? Because if we save every day, we make our accounts daily, and it's not so painful to repay our loans, little by little. Plus, we have to learn how to save and how to spend, in order to achieve our goal: to have a house of our own.

(Tanzania): Something that makes the savings scheme weak is when the treasurers are not giving the financial reports to the members. So it means that in the meetings, you should always give the financial reports of how much has been saved and how much has been taken to the bank.

(Kenya): When you save weekly or monthly, there is weakness in the scheme, and all the members meet only once a month or so. But when we save daily, it is stronger. With daily savings, the collector visits every house every day to collect the savings and gets information daily, plus we meet all together once a week.

(Zambia): Record keeping is also very, very important, and if it is not done correctly, there can be a lot of problems in the savings scheme. If the report also states what has happened and what was discussed in every meeting, it is important that absent members should be able to know about that from reading the report.

(Uganda): The weakness in our daily savings groups in Uganda is politics. We are under a party system which divides people in communities up into different party factions. When you are under one party, someone from another party will hassle you, and this makes trouble in the savings groups, which bring together people from different parties. That is the weakness that we are trying to overcome in Uganda.

(Indonesia): The weakness is that regular meetings are hard to hold, because the members (mostly women) are busy with their houses and family duties. In Indonesia we follow a system where one collector collects the savings deposits from all the members, and it's hard to find a good collector willing to take the time and trouble. In one group, there may be 50 members, while other groups might have only five members, so the groups are not balanced.

(Thailand - Chantaburi): One weakness of our savings process is that our collective saving is not enough money for all the projects we have in mind - projects like housing and income generation and infrastructure. So we have to build up our savings gradually. People lack discipline in the savings process, it is very difficult to build up discipline in people's minds.

(Rose - South Africa): Two problems :

- If we don't give loans, it weakens the savings scheme. We have to save and we have to give loans. Sometimes when people see that there is a problem with one member, they start to withdraw from giving loans, and that creates a weakness.
- And in many of the savings schemes, people are not allowed to withdraw their money once they have put it into the collective savings. If people are just giving money and you don't allow them to withdraw their money, they will end up saying "there is no use for me to put in the money, because I don't get my money that I have saved!"

(Thailand): The power is centered too much around one person in the group. The Thai group asks, why aren't withdrawals allowed? Rose: In some of the savings schemes, when we put in our money, the treasurers can withhold the money and won't allow you to withdraw. The Thais answer that sometimes they have a similar problem in the Thai savings groups, where they concentrate too much power and influence in the chairperson of the group, so they can make a decision and the others cannot refuse. So when the power of decision and action is too much concentrated in one person in the group, it is a weakness.

(Thailand): Only money cannot solve all the problems people face in poor communities. It remains with the thinking of the people in the group. The money is just one part of this larger process of thinking together and finding solutions together to the big problems we face.

5.1.3 What are the successes and weaknesses of the LOAN SYSTEMS in our savings schemes?

(South Africa, Rose): Loan giving is a very important - an essential - part of our savings process. We see loans as a tool that can strengthen our saving schemes. It is important to give each other loans, not just save together. Without giving loans, there can be no strength, no growth, no future in our savings.

Box 12: The Mahila Milan savings system

(Banoo, Mahila Milan, India): I am a Mahila Milan leader in my area in Bombay, a sidewalk-slum along the footpaths on Water Street. My work is to go door to door daily, to collect the savings deposits from the members in my area. The members in my area felt that they should have a proper leadership in the savings scheme, not just one single lady going to all the houses. People have different kinds of work in my area, and many can't save every day: some can save only weekly or monthly also. But most are domestic servants, vendors or rag-pickers, who save about 5-10 rupees per day.

Continued overleaf

- **Group leaders:** From our 105 Mahila Milan members in Water Street, we have five leaders who have divided the street into five groups, with one leader going to all the houses in her group, seeing what the problems are, how much they are saving, etc. This is what our savings passbooks are like (shows one). What to do when leaders are bad? The reason why we don't have this kind of trouble is because we have chosen five or six leaders from that area itself, so we don't have a chance of saying one person isn't good - there is no single leader. Everybody is a chairperson in that area, but certain leaders only take responsibility of going to certain houses every day just to collect money - they are not paid by the NGO, Society for the Promotion of Area Resource Centres (SPARC), or Mahila Milan, they do it voluntarily.
- **Loans :** While saving daily, we also get loan applications, and all the five leaders sit in one place every afternoon and discuss about what the loan applications are for and how much can we give to that person. We five leaders take into consideration whether she really needs the loan or not, because there are many people who are cheaters or money-lenders who really don't need a loan, but they take a loan from Mahila Milan to lend to someone else at high interest. So we really check out every loan application, and we know these ladies, they are our neighbours for many years!
- **Loan repayment terms:** We also ask how the borrower will be able to pay back the loan, whether she has a daily or a weekly business, and then accordingly we work out a repayment schedule where she repays according to her earning pattern, for example, you have to pay a saving of ten rupees and a loan repayment of 50 rupees every day. The loan duration is up to the person who takes the loan and her repayment capacity and her wishes, she has to tell how she can repay the loan - it's not only up to the Mahila Milan to say you only have to pay such an amount by such a time. The repayment and the savings both have to be there - people shouldn't stop saving when they are repaying their loans.
- **Loans and withdrawals:** Usually, if a person is repaying a loan, they aren't allowed to withdraw any money from their account. But if there is an emergency, the leaders can themselves decide whether to allow her to withdraw some of her savings. But she only pays interest on the loan.
- **Interest rates :** The interest is 2 per cent per month, and this interest rate has been decided by ourselves (the money lenders, on the other hand, charge 10 -15 per cent per month!).
- **Loan guarantee system:** When people want to take a loan from the money lender, they have to give something as collateral, like earrings or gold, or the documents of their huts. And even after keeping the gold, the interest rate is still so high! But in Mahila Milan, we have no guarantee from outside - the guarantee is the leaders themselves within that area.
- **Big loans!** In my area, one woman with a small scrap trading business has taken about 130,000 rupees in loans, over a 6-year period! And she's almost repaid all the loans, by giving 50 or 100 rupees back a day. And she also continues to save every day; she's not only making loan repayments. And even after taking the loan, this woman has withdrawn her savings, and she's allowed to do that because she is a daily saver.
- **Daily meetings also:** Any area members who have any problems or want to discuss any issues, we have a timing from 5:00-8:00 in the evening, where we sit in the office (the Byculla Area Resource Center), where all the people are invited to talk, and it is daily! The meetings are taking place daily.

5.1.4 How have our savings scheme helped us resolve OTHER PROBLEMS : stopping evictions, getting houses, getting land, etc.

(India, Banoo and Shivanjali, from Mahila Milan): The savings has helped women to have the power to stop evictions and to start negotiations for land. Before we started Mahila Milan, we were all living together on the pavements (on the side of the street, not even a proper slum on some land!) but we didn't know each other much, we just found a little space on the street and started constructing our small shelters there, as best we could, with scraps of bamboo, plastic and tin sheets. But we had to face regular demolitions - every day there were demolitions! Most of the time ladies were not at home, they were all out working, many as domestic servants. And when they came, they used to find that oh, their houses were not there! All their cooking utensils and clothes and belongings were gone - nothing was kept for them. At that time we didn't have our Mahila Milan savings groups.

- Mahila Milan means "Women coming together" And we faced demolitions (evictions) regularly. At that time, a few of us started getting together, having meetings with a few ladies with our director Sheela Patel (of SPARC, the Mahila Milan's support NGO). At that time, she was working in our area on issues of health and education, with another organization. As we started coming together, Sheela Patel told us "We will help you to stop these evictions. We will help you to find land. We will help you to start with savings for housing. But we are not going to give you any money, we are just going to show you the guidelines." And that's why all these ladies started coming together - eventually from nine different street settlements - to deal with these demolitions, which none of the political parties were helping to stop (but at the time of elections, they were all coming to us!)
- How we stopped one demolition: In one pavement settlement area, a notice was given that the houses would all be demolished within 24 hours. The day of the demolitions, we went and got all the ladies from different areas, and told them that we should see that the police don't touch our houses. So they all came and stood in the street with us. The municipality and the police came around and saw such a crowd, and they said, OK fine, we are not going to demolish today, and they just went back! The second day, they again came back, and again saw the same crowd standing there. Then they thought, now let's talk what to do, let's have a solution. By that time, a group of us ladies had gone to the municipality offices, along with our federation group, and we had a conversation with the officers, saying that we are not going to stay here for a long time, if you give us some land, we will shift to that place.

(India, Shivanjali, from the Railway Communities Mahila Milan) : Savings has also helped us to start other things :

- Saving for housing: We also told people that they have to start saving, because as soon as we get land from the government, we have to construct new houses, we have to get new furniture and everything should be maintained very well. So this saving can be utilized at that time also. So people started saving more and more. I lived near the railway tracks, and after our houses were demolished there, I shifted to the transit camp with the help of saving. This is all connected with the savings, because we were in the groups. We told the government, we have this amount with us, and we are ready to move to new land you give us and construct our own houses. So that's how I came to live in a small flat in a permanent building. Within three years of starting savings, we got a house! (But for the first Mahila Milan in the footpath settlements, it wasn't so fast!)
- Saving and sanitation: We have also used our savings groups to organize projects to build community-managed toilets in slums all over Bombay, in partnership with the municipality. When we go into different areas, we start by having small meetings with the ladies there, and we start telling them that OK, first they have to start doing saving, just one or two rupees saving every day, which can help them to start so many good things in their own locality, so they can develop their area, starting with the saving. And I am one of the Mahila Milan members who has become a contractor now, constructing some of these community toilet blocks in slums.
- Savings and community dispute resolution: Besides constructing toilets and mobilizing people in different areas, Mahila Milan has also started a police panchayat (community conflict resolution and policing) program in many Bombay slums. The panchayat is a group of 11 community members (seven ladies and five gents) who all sit together and sort out problems within the area. If there are quarrels, usually people have to go to the police station, where there are bribings going on. The person who started the quarrel and the one who got quarreled with BOTH have to bribe the policeman and go home - nothing has been settled! But here, the police panchayat themselves sit within the area, listen to the stories, and decide what decisions are to be taken between the two quarrelling people. It is just sorted out quietly, without bribery, without taking anybody anywhere. Just they have to sign an application that this thing won't happen again. And you find that now, people in these areas feel they shouldn't go to the police station at all - they contact

these ladies first! We don't have any time limits - any time, any place, any person who needs a meeting, we are ready to go. And we are not being paid, we are all volunteers. (She shows the card which members of the Police Panchayat carry with them, which is signed by the Police Commissioner and Jockin and the local inspector.)

(South Africa - Rose): Savings is a tool which comes up with different initiatives. And it is a tool that creates space for poor women to have partnership with the formal world. Because if the women in Bombay had not come together through their savings, the police would not have recognized poor women to be important in addressing the issues within the community. I think this case study of Mahila Milan is very important for us: they are not just looking at savings to collect money. The savings is a backbone for them, to identify different issues:

- They are giving loans.
- They are offering savings in flexible ways according to people's earning patterns.
- They are addressing issues of eviction.
- They are making sure that when there are evictions there are alternatives; before they started saving, they were just evicted and thrown away, but because of savings, now they are no more evicted, but are relocated to better places.
- They are acquiring land.
- They are not just being relocated by some agency, but they are already using their savings to negotiate for more resources to build their housing where they are moving.
- And then they are using their savings to develop infrastructure. There is a big problem of toilets in India. With their strength, their government has agreed to give them contracts to build toilet blocks for different communities.
- If it was not because of the savings, they were not going to be able to have a partnership with the police.

When there are no real issues driving the savings like this, the savings process becomes weak. The case of India is a good one for showing us the importance of exchange programs. You will find that in your community, you are just saving because you have joined SDI, and you think that it is only because of SDI that you are saving! But there are no issues that are driving you to make your savings strong. And that is why in many countries the saving is weak, because the issues are not there to address.

“So we have to go back to our countries and think very strongly about exchange programs, and think of which countries are having good case studies where we can go and learn. So the learning process - learning to save, to spend and to share ideas - is very, very important.”

(South Africa, Esther): Using savings to begin solving our problems right away, not waiting for anyone else to give us the answer. Even if we need bigger funding than our savings can provide for housing and infrastructure, it is still possible to begin solving our problems right away.

- Example: Using saving to start building our own houses, gradually. As one example, in one of our savings groups, ten women came together and practiced a different form of saving. They put their money together through their small savings, and they were able to build the foundations of ten houses, for all the members. It means they are going to gradually build their own houses, together, using their own savings, without any help from anyone else. So that's the strength of savings, to create this kind of self-reliance, to look to ourselves first for the solution to our problems.
- Example: Using saving to get land. In another community, the people don't have their own land, they are tenants of someone else. And they are now being encouraged through savings to save for acquiring land.

(South Africa, Rose) : In South Africa, through savings, we manage to influence government policy. Because sometimes the government's policy is too straightforward, it doesn't meet the needs of the poor people themselves. But through savings, and through the people's process of coming together and starting to question the policies of the government, we were able to persuade them (especially the Housing Department) to support us the way we are doing things, and not using their bureaucratic way of delivering housing for us. Through the savings, we went to the government and said we are doing this, what are you helping us with? So they offered us subsidies to help us build houses, and the savings groups were able to acquire housing subsidies directly.

(Cambodia) : Using savings to buy secure land, and to create partnership with the local government. I live in Phnom Penh in a small squatter settlement of 16 families, and we faced eviction. We started a savings group, with everyone saving just 300 or 500 riels per day (US\$ 7-10 cents!) every day, for buying land. After three years, our savings came to 3 million riels (US\$ 750). Then our members wanted to buy a piece of land for our secure housing. This US\$ 750 wasn't enough to buy any land, so we took a loan of 5 million riels (US\$ 1,250) from the Urban Poor Development Fund (UPDF), and found some land for our 16 families to buy. At first the government didn't respect our small community, and we had a lot of work to do to get the government to know about our community and to respect our struggle to solve our land and housing problems by ourselves, and to sign the papers to make our purchase of new land official. Now, one year after moving to the new land, we still save every day, and we have paid back the whole loan from UPDF. Now we have also built new houses at our new land, also with our savings. Just like India, we save daily and repay the loans daily.

(Philippines - Celia) : In the Philippines, we inhale savings and exhale credit. I have learned from the groups, but I would like to share a few things about our savings program in the Philippines. We have many kinds of savings in our federation. We describe savings as though we inhale and exhale: inhale is savings, exhale is credit! And also, savings is a very important in everything we are doing there - it is a community based program. If a community has an issue of demolition or high-risk area, that has savings, we can negotiate about how to solve their problems.

(Kenya) : Through daily savings, we have succeeded to enter the local government office and discuss and have an MOU on land. Because when we are together, we can go anywhere we want. Through saving we have managed to come together, as slum dwellers, and we have managed :

- to build 62 houses in Kambi Moto, Nairobi;
- to build five houses in another settlement, and 17 houses in another;
- to get 40 acres of land for the savings group at Toi Market; and
- to buy 80 acres of land in the Getto area.

So this daily saving is a major successful of everything. And coming together we talk with one voice. In Kenya, we have seen a great change through daily saving, because daily saving has opened more doors where we couldn't enter before.

Celia (Philippines Homeless People's Federation) : Before we, as leaders, demand others to save, we should first save ourselves. We can't go around telling others to save if we are not saving. We should all show the way by saving ourselves.

Rose : I want us to make a very big comment: We in this group are the real savers! It is said that this is a savings workshop, no? In the savings group, it shows that this workshop was dominated by developers and contractors, because all of the rest of the participants want to go into the sub-groups to discuss land and housing and partnership! And then such a few people wanted to join the savings sub-group. So it means that we are the real strong savers in this room! They are running towards the big funding, they are forgetting to understand the importance of saving!

5.2 Discussion notes from the sub-group on HOUSING FINANCE and FUNDS

These new community funds act as a "finance ministry" for poor people! Why? Because the funds which people save within their communities may be too small to go very far with their development initiatives, so how can these community funds allow community people a new freedom to expand their activities in livelihood, housing, upgrading, sanitation, etc.? How do these community development funds function, in order to allow as much freedom and new possibilities, without too much restricting the creativity in poor communities, or restricting their support to only a few communities or a few fixed objectives, but allow community people to do whatever they want to do and whatever they feel is important? What are the different levels of funds? International, national, city-based?

“The fund is a new direction, and the way the fund performs allows more freedom and flexible action to the people's process, to drive different types of change. The fund is the pulling-together of action and it allows people under a particular constituency to forge a common direction and gives them the freedom. But how it operates in the local system, with different "cultures of finance" - we create a new constituency by the fund's operation, and the fund in turn gives this constituency a new avenue for taking action. When you add power to these small, dispersed community savings funds, you pull them together and into a "change direction" and make them stronger. The community development fund pulls them together, changes direction and makes it stronger, even if the funds are not large. The idea is to link them into the same direction.” *(Somsook Boonyabanha)*

5.2.1 Questions on finance

- Community funds at national, city and community level?
- How to link savings with other sources of finance to support people's development?
- How to make sure community funds are flexible?
- How can community funds support strong movements?
- How can funds support strong and large scale people's movement?
- How to get more money to support a people's process?

The Muungano Development Funds (MDF) in Kenya : *(Felix Ongono, focus on Kisumu in Kenya)*

The movement of savings schemes in Kenya started in 1996 but came to Kisumu in 2002. Each and every savings group member has a passbook and in the front, the shares that have been deposited in the MDF are recorded and in the back there are the savings. Members have control over savings and can withdraw their savings any time they are in need. Shares can only be withdrawn when members come to leave the MDF and the federation. Members contribute whatever savings they can - weekly or daily. There are weekly meetings, where all the savings are collected from the collectors and banked in one central city account, managed by the MDF. The intention is to create city-based MDFs.

- The MDF was created when members across Kenya realized that they could not do the daily savings or make loan repayments if they have no business. So the agreement was made to pool savings in the MDF. Savings schemes were collecting money and making loans but they could not manage their own accounts. The collections carried on but when a member borrowed they did not repay promptly, arguing that there was no need to pay as it was their own money. As the first set of borrowers did not repay, the process died.
- In Kisumu, members have formed the MDF where they have both savings and shares. Each share is 50 shillings. Loans are linked to shares - after eight weeks members can apply for a loan which can be up to ten times the value of their share holding. Members can deposit savings at MDF level and there are no charges. If they have more than 1,000 Kenyan Shillings in savings they earn interest, which is earned by the funds being held in an investment account. MDFs are held in a fixed deposit account in a commercial bank. These investment decisions are made by the managers in Nairobi.
- The MDFs in each city are managed by representatives from local savings networks. The Akiba Mashinani Trust is the fund at the national level.

Thailand (Supanee Tiamseeha) : At the community level, we have the savings groups. These savings groups have been established to solve the problems within the community. As we save money together we gather people. We use the community fund as a revolving fund and we give loans for income generation and welfare. Communities save together on a regular basis: they decide if this is to be daily, weekly or monthly. Members receive loans from the savings group to address their needs. The savings groups earn income from the interest that they receive from the bank. For housing, members also save with the savings group and use this money as a special fund for the community.

- In Thailand, we have the community fund at the national level (CODI), this has been established by the government and it provides support for the community. For the savings group, there is one (housing) account; so while the savings schemes link with the city and link together at the network level (several savings schemes together) we don't put the money together. We keep money in each and every community.
- Each community manages their own savings. After saving for a while, the members come together to make a development plan. This plan may include savings targets such as one baht per member per day. From the government side, with their one village fund program, there is available support to the community. For the housing development plan there is a recognized need for the community to link through the network to all the settlements, contributing to a city development plan that addresses the needs of all. There are already many links at this city level.
- Now the savings schemes think about having their own community fund at the national level. Why? Because CODI is a government fund, and it must always be associated with a degree of uncertainty. The communities wish to create their own fund at the national level. They know that, at present, there are the resources to do this. People have the fund but it is scattered across many communities. If we link these resources together, we can create a very big fund. Then, in future, if CODI cannot support our work, we will have access to our own monies. This is not yet established but it is a clear plan.

Box 13: CODI – The people’s support system that’s an independent fund and a government institution

In October 2000, the Urban Community Development Office (UCDO), which has been running since 1992, was merged with the Rural Development Fund to become the Community Organizations Development Institute (CODI). The royal decree which brought CODI into existence allowed UCDO's development activities to continue, but greatly expanded the organization's scope, and paved the way for big changes in how it works and how it relates to the poor community organizations it supports. By making CODI an autonomous legal entity, with a special status as a public organization (under the Ministry of Social Development and Human Security) the decree provides greater possibilities, greater freedom and greater flexibility than a conventional government institution to do things in new ways and to promote large-scale change - by people.

CODI's focus is not only on poverty, but ways in which communities can be the key actors - in whatever development they want to undertake. In its first two years, CODI concentrated on building linkages between communities and community networks (rural and urban) and promoting provincial and issue-based mechanisms for resolving problems these networks identified. In the third year, it focused on linking this newly-strengthened national people's process to various government policies. As a result, several programs have been set up and are demonstrating the great potential of people's involvement in tackling problems of poverty and development in Thailand. The Baan Mankong community upgrading program and the new community welfare program are just two of these. Others include community planning, community-based welfare, area- and province-based networking, community-based natural resource management, and poverty alleviation.

Continued overleaf

Since 2000, nearly half of all urban and rural communities in the country have linked to the CODI process in some way. These linkages provide an automatic learning mechanism that is country-wide, and in which an ever-expanding range of possibilities are on offer to communities.

The CODI Fund : An important ingredient in CODI's ability to support all these initiatives and to respond quickly and flexibly to needs and opportunities which arise from these networks is the CODI fund. The fund now has about 2.8 Billion baht (US\$ 70 million), which is ready to make loans to community organizations for housing and land, community enterprises, networks for holistic development and flexible revolving fund loans to savings groups or networks. The plan is to link this resource with the people's resources, so when these community savings groups and savings networks want to do anything, they can obtain loans from the CODI Fund directly. CODI makes bulk loans and grants from a variety of funds to savings groups, communities, community networks and provincial groupings of networks, which set their own systems for determining loans and manage collection and repayment. CODI also channels funds for special projects financed by government fiscal budgets (like the Baan Mankong and Community Welfare programs) to communities and community networks.

(Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

Tanzania : My name is Juliet from Tanzania. We have two types of savings. The first is daily savings - and this is for every member. We don't have a specific required amount for daily savings; the contribution just depends on what a member has. We normally meet weekly to discuss various issues and collective problems; at these meetings we evaluate the success of our savings activities. We also initiate various income-generating projects by linking with various members. The Daily Savings Fund within each savings scheme is used to give loans to members. We give loans for things such as school fees and medical expenses. Each member has a passbook to record savings and loans plus repayments.

- We also have another savings scheme in a development fund. Members are expected to contribute 500 Tanzanian shillings per month (about 45 US cents). This money is not refundable. This fund was begun so that savings schemes can begin to work towards addressing their many problems with roads, water and sanitation.
- The development fund was launched with the aim of attracting other stakeholders and to leverage more money. At present this fund is managed centrally but we are thinking of opening regional accounts. All the members contribute through their local savings schemes and it is not hard to get contributions. Members accept that they should give something; this is an idea that is familiar in Tanzania where residents routinely build schools (for example).
- (Celine) This development fund is not just money - it is to make an investment and contribute to a process.

Celia: members are active in saving. But this is savings meant for what? Often it is for housing. It is important to work and think like a small group, but to negotiate with the state requires the group to grow. Savings takes place at a community level but as groups start to grow and want other things, then you bring the communities together and then can begin to negotiate for big things, like land.

Fiji Islands : Our process has just started in November 2006. Fiji has two major cities and lots of small towns. 25 per cent of the population has incomes below the poverty line, and a further 35 per cent of the population has income levels on, or about, the poverty line. The communities have been doing savings and development on their own for a long time - for example, helping families to finance education and welfare. This has been at the level of individual communities and it is difficult for them to manage like this. It was good for these savings schemes when they linked to NGOs and realized that they are not alone in this problem. There was an interest in city saving. Before we started city saving, we drew up the constitution that all the saving groups have to follow. The

constitution says that saving is for three purposes: land security, better housing and education for children. These are the only three criteria why people save in Fiji.

- Now we have been searching around for whom to link with in order to grow. We don't want to work with the World Bank and organizations like that. We want to link to Thailand - and we want our government to come and study the community development fund. There is too much interest in our country in following the banking system. We need a CODI system which is affordable to the people. We have already started to come up with a plan. And we are inviting Somsook and Maurice to come to Fiji in December 3-7th and talk to the government office and train savings groups in the cities.

Nepal : We started in 1996 with a women's community forum. Each group has 15-20 people and then 500-600 groups joined together to form a cooperative at the city level. All these city cooperatives belong to a national network. This network then links with external agencies.

- We start with a minimum savings of 100 rupees (US \$ 1.50). Saving is done during group meetings. Savings scheme members all hold shares and most have a minimum of between 5-20 shares. Each share costs 100 rupees. Groups invest in income generation, land and housing, employment, health and education. Savings are so many: in addition to the compulsory saving, there are savings for housing and for festivals. People have to be members for one year before they can apply for a loan.
- (Celine) In Nepal they locate savings in small groups which are brought together at the city level. Other groups save at the community (with their neighbours) - so they can build organizations that are able to fight evictions. In Nepal there is no pressure to come together at the settlement level so members are not necessarily close together. No one group has the best solution. There are different cities with different struggles and different choices. We need to understand why one group has taken the path that it has. What is the bigger picture?

Box 14: New fund in Kathmandu

The *Urban Community Support Fund (UCSF)* was launched in Kathmandu in May 2004 as a joint effort of Lumanti, ACHR, SDI and the Kathmandu Municipal Corporation. The idea was to create a new financial tool for poor slum and squatter communities in the Kathmandu Valley, which would channel soft loans and grants directly to their savings groups to support initiatives in housing, land, infrastructure, upgrading, welfare and livelihood. But besides providing finance, the fund is being seen as a permanent, locally-based institution, which brings a variety of development actors together to tackle the serious problems of poverty and housing in ways that make poor communities and their federations the main actors and strengthens them in the process.

The fund has already made history in several ways. The KMC, under its enthusiastic former mayor Keshav Sthapit, contributed the first US\$ 100,000 to the fund. That was the first time in Nepal that a local government had contributed such a large amount to support people's own initiatives to address their problems of poverty and housing. It was also the first time that poor community people sat as equals with NGO representatives, professionals and government officials on a governing board to administer the funds.

(Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

Zimbabwe : My name is Sadsina from Zimbabwe. We are doing three kinds of savings: daily savings, specific savings (for such things as health and welfare), and savings which contributes to our national urban poor fund, the Gungano Fund. Gungano operates at the national level and savings contributions are very important.

- Before explaining the fund, I should say something about the context in Zimbabwe. There is a political crisis - because of the politics, our fund has devaluated so much - this is due to inflation. The federation was formed in 1997 and from that time we have had no support from our government. The federation has been doing things themselves. We have been successful in

securing support from outside the country. We, the members, are contributing towards our urban poor fund. We use those contributions to make investments. Now, due to the economic situation, we try to make commercial investments. We have a pay toilet (in the market in Mbare, central Harare) and we have a hardware shop.

- Households in Zimbabwe have to purchase land and infrastructure - that is where our external funding comes in; it helps us by making loans available.
- Our daily savings is managed in our various savings schemes. Daily savings: this is controlled by savings schemes who organize the loans and borrowing. Special savings: this is managed at the city level. Health issues are a big reason for a special savings scheme - cities have an account just for this savings - we use this money for burials and illness. People can also have special savings to pre-purchase building materials when they are waiting to build. Because of inflation, we cannot keep money in our country. We have to store money in the form of building materials. We stock things - we may resell to help purchase land.
- To qualify for any kind of loan you have to show that you have saved. The Gungano Fund gives loans for income generation, land, infrastructure, and housing. The regional level decides on income generation loans; by the region I mean the cities and towns are grouped together. Applications for the bigger loans, for infrastructure and housing, go to the Gungano Committee at the national level after the savings scheme's application is approved at the regional level. The Gungano money then is sent directly to the savings groups.

India : My name is Abdul Shakoor. We have two types of savings: daily savings and housing savings. After Mahila Milan groups were saving for three or four years we received a big loan from the Ministry of Welfare. We got this money from the government because we had a track record in savings. Actually it was the Ministry of Women and Child Welfare and the money was for income generation. When this money was mixed with our own savings we were able to give lots of loans.

- Housing savings works differently. This money is put aside - the money is kept in individual named accounts (mostly) in a bank. Some groups just have group savings but mostly housing savings is kept in individual names. This money is only for when you have access to land and a house. This system works very well and the two savings complement each other. The groups felt very supported and were encouraged to save for housing.
- In India, housing is a state issue and each state has its own policies. Many federations are able to benefit from state funds and policies. At present we have constructed 352 toilet blocks; the money for this has come from the government.
- Each city does have a city fund, but in India we don't call it a fund. Cities pool their savings - these city "funds" are made up from savings.
- In India, if you don't pay back your first loan, we give a second loan, then a third loan. Why do we do this? People have many difficulties when experimenting with new businesses - and many are not able to succeed. For example, a hawker has just started selling their goods and finds they are taken by the police. This is a genuine problem - the job of federation leaders is to understand this kind of problem. We can afford to give more loans as we have the backup of the RMK money (government welfare money). We do not have a repayment problem. In Mumbai, actually, people repay in advance. If people do not pay then we have embarrassment techniques; for example, we go to ask for repayments when there are guests and put social pressure on the borrowers. Local leaders decide on who should get a loan. It has never happened that a leader does not repay the money.
- (Representative from Fiji) This is a very good mentality - very good - it comes down to the level of understanding why and how people are suffering and what we can do to help. That is the way we should think.

Philippines : (Celia) We have many kinds of savings. In Quezon City, where I come from, there these kind of savings: compulsory, voluntary, UPDF savings, and land and housing savings. Now all of this now comes under UPDF savings. So now there is only one type of savings - UPDF savings and this is made by every member. Our members are in community association and legal home-

owners associations. Why this legal body? Because of the level of securing land and housing - all community organizations have to be legal and registered. There is no choice in this matter.

- All UPDF members (all members) have to save 50 pesos a month. This is non-withdrawable but it is loanable. Why do we have this rule? If you say that members can save and then withdraw how is it possible to purchase the land? The savings have to accumulate for development to be a possibility. This saving is managed at the level of the community and they open bank accounts for the savings.
- Then there is voluntary saving. This money is just "parked" with the federation. At any time members can get this money but it doesn't earn interest. Compulsory savings does earn interest but members cannot withdraw it. If a community association has savings, then this money can be used by them to provide loans to purchase land and for site development. Site development may include housing construction, water and electricity. There may also be loans for livelihood.
- What happens to this savings? 30 per cent of savings is held at the community level. Now 70 per cent of savings is held in the UPDF; at present this is a national fund but the plan is that these funds will go down to the city.
- In addition to savings, this national fund has external donors - Misereor, SDI, CLIFF and Selavip. The money in the national fund is used as a revolving fund. The community fund can go to the national fund if the city fund does not have enough. The national fund manages the loan if they are the one to provide the loan. The idea is that the city level fund will borrow from the national fund - but it does not happen this way at present.

Box 15: The Philippines Urban Poor Development Fund (UPDF)

The Philippines Urban Poor Development Fund (UPDF) : *A finance tool that belongs to the country's poor communities*

The Philippines UPDF was started informally through a series of loans made between savings groups in different cities in 1997, but officially launched in 2000. The UPDF works like an umbrella for a growing family of city-based revolving funds which provide low-interest loans for income generation, housing, infrastructure, land purchasing, bridge financing for slow-moving government finance schemes or any other activities proposed by the Homeless People's Federation. The fund is managed by a mixed board which includes a majority of community leaders from the federation, and representatives from PACSI and local government. The fund is accessible to members of poor communities actively involved in the federation's savings program, who are directly involved in the fund's management, as capital shareholders. All savings scheme members contribute 50 pesos (US\$1.15) of their savings each month as "shares" in the fund.

(Source: ACHR Newsletter, "Housing by People in Asia", special issue on savings and funds, November 2007)

Zambia (Chola) : To understand our planned process you have to see that we plan for both a national fund (NSUBF - National Swalisano Urban Poor Fund) and a regional fund (RSUBF - Regional Swalisano Urban Poor Funds). We have not been so active in giving loans yet; this is new to us. But we are now developing this process - we have just started building houses. In Zambia there are three types of savings.

- daily savings;
- swalisano (group) savings; and
- social and health savings.

The savings required from members for Swalisano is 8,000 kwacha each month (US\$ 2). These savings are specifically for housing and other capital projects. Savings schemes - who each have three treasurers - are responsible for banking all contributions.

- The National fund links to all the regional ones. National signatories are regional members. We want to have this system of a national fund that links to the regional funds. We have SDI and Misereor money in this national fund. We will use this fund to negotiate with the government and try to attract government support and perhaps contributions - that is the plan.

- When the regional funds repay the national fund they have to add 10 per cent interest on the capital repayment. Income generation loans are given out to members at 10 per cent a year. Every member's contribution to Swalisano is non-refundable. Daily saving is refundable. Savings groups collect daily savings and give it out to members in small loans.
- Savings for health and social activities are made on a weekly basis. People meet once a week to collect contributions and give out loans. The requirement from members is 500 kwacha (50 US cents) each week. This money is to help one another. the kinds of problems that we address are when a member has failed to send their child to school because of the need to pay school fees or when they cannot afford to buy medicine. If there is not enough money in the group we try the regional fund. This is a welfare fund to help members - the money does not need to be returned.

Box 16: Summary of the group's discussion on community funds

Julie from Uganda:

Our funds in Uganda are still at seed level, so it was very inspiring to hear the experiences from different countries. In our group, we saw that there are many differences in these funds, according to the national contexts.

- But in most of the cases, there are funds at the local level (in communities and in cities), then funds at the regional level, and then in many countries there is now a national fund. They all started from the bottom!
- Not a finance "system" but a people's process : One of the main lessons we all found behind these funds is that they are not so much a "system" as a process, it's really reflecting a people's process and responds to people's needs, at the local level, with as much flexibility as possible.
- The first level: These funds all start with people coming together and saving, saving to address different needs, saving to give small loans to help each other and start welfare programs to support each other in case of sickness, death, emergencies. (This is the level where we are now at in Uganda)
- The second level : When people realize they have to address bigger issues that go beyond the capacity of their own small savings, like land and housing. These are issues that you can't address alone, as savings groups. You have to network with the other savings groups in the city and pool all your savings together, in order to address these larger issues.
- The third level : When you see that it's working at city-level, you can join with other cities at a national level, and you become even stronger. You become stronger to negotiate with the government and your combined funds become large enough to attract more outside finance. You become stronger to negotiate for better policies and for bigger public funds.
- I think this is really reflecting the SDI philosophy - people realizing by themselves that, together, they are stronger. Together, if they put all their savings together in these funds, they will be able to negotiate more effectively for what they need - for land, for housing, for political change. It will help them to leverage more funds from overseas donors or their own governments and their own national sources.
- In India, for example, we have a very interesting case of how they put all their savings together and use that bank balance to leverage additional finance from external donors, from banks and from the government.
- When you have additional loan capital from outside, it allows the federation to distribute these funds among the different savings groups, on a rotating basis, to help the savings groups expand their own lending potential and scale up their own initiatives.

(Comment from Rose) : Maybe we should try to understand better the difference between savings and funds. When we talk of "savings", we talk of our daily contributions and of the money that helps us to address our daily needs locally, here where we are. And then sometimes, when we go out to negotiate for bigger development finance, as Julie has said, the formal world always asks us, "What do you have? If we are going to support you, how are you going to sustain what we are supporting you with?" For this reason, we are emphasizing to all of us that we should have a "fund" - which works as a kind of asset, or a tool, or a security for our organization.

- When we contribute to this fund from our own savings and from our own pockets - even if a lot of the capital in the fund comes from outside - it means we all have ownership of that fund, it is ours, it belongs to the entire federation. Then sometimes, when we find we have to carry out a development project in a certain community, we have to use that fund to finance that development, even if most of the people who have invested in that fund are still not ready to start their own housing or land projects. So we are using that security to help our own development.
- That's why we need to understand why the community fund and the federation fund are so important for us. It helps us to broker deals with the formal world. It helps us to attract the donors to give us more funding. It helps us to attract the government to support us, because we will be showing them that here is our guarantee, here is our security, here is our asset. So when we talk of the "fund", we are building the asset of the entire community organization.

(Comment from Rupa, Women's Bank in Sri Lanka) : Now we have 18 years of experience. We felt that having such funds is necessary after 16 years of time. I think our story will give some encouragement to the new groups here who have recently entered into the savings movement. In Sri Lanka, the poor members of the Women's Bank have accumulated US\$ 8 million in their saving.

- We have established two special funds: one for health and one for housing.
- These funds have money from external donors, but people also contribute to these funds - one dollar, per person, each year. Of this people's contribution, we use 35 per cent for the housing fund, 50 per cent for health and 15 per cent for education and training.
- We have also established a national fund, which integrates five organizations in Sri Lanka. Now we expect money for housing from that fund. This fund will be very important in the future. ACHR has assisted us in this fund.

(Comment from Somsook) : There are so many different models of community funds - and different ways of managing and locating funds - emerging around the world. How they work, how they are sustained, how they are managed, how decisions are made - these are all the details that each fund has to work out, and there are many ways to do it, many possibilities we already have to look at and learn from.

- The development process in Sri Lanka, for example, started purely from community funds - both the Women's Bank and the Women's Development Bank Federation (WDBF). It all started from saving, and after saving for so many years, it has built into two national funds - purely from community people! And from these funds, they have invented several programs and development initiatives to respond to their needs - in health, education, livelihood, housing, sanitation, land, infrastructure and tsunami rehabilitation. But it all came from people's own savings and loans from people's own combined savings.
- It is similar to what Khun Amporn, the Thai community leader, was saying yesterday, who was describing the very large fund his sub-district has developed over the years, purely from their own savings - no outside money at all!
- Then you have another kind of fund, where people start saving along with grants from external sources, so that those groups can have a little more money to give more and larger loans for housing and other bigger needs of the people. Then this bigger money revolves. How it revolves and how it works - this report hasn't gone into much detail on that, but there is a big set of details on the funds and how they work. Many of the African funds work along these lines.
- Then you have the case of the (UPDF in Cambodia. People had their savings and had great needs because of evictions, but there was no pooled resource to draw upon. So then some external sources granted some money to help resolve these eviction problems and financed the first community-driven housing projects in the country, and these resources became the seed funds for a revolving fund, the UPDF. Then the fund attracted more grants (from the Prime Minister, from the local market associations, from embassies and other local private sector sources, besides external donors) and gave more loans, and the whole fund process grew, as the work of the communities in Phnom Penh grew.

- Then you have the fund like the one in Lao PDR. The funds in Lao started with savings groups in small rural villages that grouped themselves together into district-wide networks. Then, a very small grant from ACHR (just US\$ 3,000-5,000) given to each district network helped to launch a revolving loan fund within that district. This small fund helped the various savings groups in those districts to work together, as a fund. So now, there are several of these district funds around the country, and the number is growing as the savings process grows, with good support from the government.
- Here in Thailand, we have savings groups, we have funds, and then we have CODI to add more external capital into the programs developed by different community organizations and networks.
- The reason savings and credit is so exciting is because it creates a community fund at the most local, most immediate community level. Suddenly that fund allows people a new freedom which they have never experienced before, within their own "community constituency." This collective resource gives people a certain power.
- The fund has one special quality, which is that it allows people to deliver. Savings and loans give your friends resources to do income generation, housing, infrastructure, toilets, environmental improvements, welfare projects, etc. You can solve the insecurity of tenure and deliver a new thing. Usually, it is our "public institutions" that are supposed to deliver development and do things, but here we replace "public" with "people." And "people" are doing what "public" was supposed to do. This is the new delivery system, and it is the RIGHT system!

I think that for each country's fund, we need to gather these details and these differences, and spend some time to bring all this together and draw out the common points and to develop a common understanding about what the possibilities are, and what the different fund models are.

- We can't complete this discussion today, but it's clear this is a whole big, new university! This is the real new knowledge of this meeting!
- Saving we all understand very well! This is very clear to us all now, but saving for what? We need to pull the saving together into a fund system, and with this fund system we can link with the larger finance systems and governance systems and decision-making systems in our countries and in the larger world.

Comment from Jockin: What is important is that, from local sources, we are able to set up city-wide urban poor development funds: in Cambodia, Thailand, Sri Lanka, South Africa, Malawi, Uganda. Everywhere our objective is that, out of the saving, we are going to set up the city-wide fund to attract other money. This is a huge issue and very difficult to understand. We need to grow, we need to keep talking about it; collecting and passing on more information on how to set up a fund and what kinds of system to use - every country has a different kind of system.

5.3 Discussion notes on the sub-group discussions on NETWORKING and PARTNERSHIPS (South Africa, Zambia and Pakistan present) On the issue of how to balance the power, we said that we have to mobilize more women to come and join the group and participate. Decisions should come up from the bottom, not down from the top: Leaders should come through commitment, and plans and decisions should come not from the top, but from the bottom, from the needs of the poorest.

All partnerships should push the priorities of poor people into the forefront. There should be equal partnership between poor people's community movements and with donors and various other stakeholders. We should be engaged with governments and local authorities making them support community priorities. We should work with professionals and with institutes so that they assist us. Communities should forge alliances with the media and news sectors so that they will help us to publish our organizations.

Why we have no choice but to build partnership with our governments (Rose): Most of the people say no we are not going to interact with the government, we've got our savings! We are being killed by the issue of entitlement. The savings members end up being too dependent on their NGOs, and that is why, most of the time, we can't achieve our goals. Because when the NGOs talk to the government,

they talk in a professional language. And the government sometimes becomes threatened by the NGOs. So I think we have to be realistic - it's not just a matter of saving and taking care of our family's needs! It is a political battle between the poor and the government, and most of the people are really ignoring that part, and we are failing because we are ignoring that part. That is why we want now to partner with the government, not only partners with our friends the NGOs! That is why most of the federations are not growing. How are you going to influence the government if you have only 35 members in a savings scheme in a community of 3,000 households?

Box 17: The role of the support NGO in the savings and community process

- (Philippines) In the Philippines, our federation's support NGO is the Philippine Action for Community-led Shelter Initiatives (PACSI), run by Father Norberto. PACSI is only there to support what we are doing as a federation. We have to lead our programs and our activities, and then tell the NGO what programs and activities we are doing and what support we need. That's our job! Father Norberto is not leading or deciding what we are going to do! We manage our savings process without any NGO support. All our accounts, record keeping, surveying, loans and financial management are done by the federation. The NGO only gives us technical support, especially in training on various technical aspects of the savings process, like book keeping and computer programs for financial management. (Celia)
- (Nepal) In Nepal, many of our small savings groups have united and got ourselves registered as cooperatives. So we have our own very formal identity, and this has allowed us to scale up our activities and our capacities and to provide larger loans to our member groups. Also, we have been able to take on more and more of the support tasks that the NGO used to do, like outreach work to start and support new savings groups, as well as managing finances. So now the relationship with the NGO is only in terms of technical support.
- (Mongolia) Different countries have different kinds of processes. But in general, I think we can say that in a country like Mongolia, the NGO will be very important to help start the process, and allow the people the space, so they start organizing as a savings groups and learn from each other. This is a rather new process. But then if we see some other countries that have already developed for some time, they will find the way that the organization of people becomes a little more independent, and link together as a network. In these countries, the NGO still works with the communities, but becomes a supporter and allows people themselves to make their own decisions, their own plans, their own ways of doing. That way, the communities themselves can start negotiating for many things, more and more. In Thailand, today, the networks take care of everything. The CODI workers just support - the network runs the whole thing. If we understand this process properly, we can help it to evolve.
- Professionals shouldn't dominate, the poor need to speak for themselves (Nelson). We have to change the power relations that exist within the community, and even within the savings schemes. Within savings scheme or networks, there has to be a realization that poor people should be given a chance to talk what they want, not just professionals and NGOs like us to continue to speak for them, and dominating the process without giving people a chance to talk!
- The NGO - community partnership is still very important! (Sameti) I belong to a community in Fiji and we are working very well with the NGO to negotiate with the government. But hearing from Rose, belittling the NGO, I feel uncomfortable. I thought this was a forum where we listen and participate and learn together and discuss how to move forward.
- I think the key issue is that NGOs and poor people are equals, but we should be clear about each other's roles so that we know how to interact and how to put our forces together in the most effective way. (Somsook) But since the problems of poverty in poor communities are problems of poor people themselves, and not middle-class professionals, poor people have to stand up. Poor people should not become only beneficiaries. People should go into their process of change: stand up, build their power, link together and know that they are part of the larger process that is going on. Then move together with your supporters on other layers. Something like that.

Need for scale: It is not enough to start a savings scheme alone (Nelson). Where is the strength in that? If you are going to scale up your work, you have to think nationally, and now we also have to think globally. We need that solidarity; we need that large pool of ideas. A lot of rich people are very well connected, but most poor people are isolated, they're not connected at all. So this movement has to ensure that poor people in Africa and Asia are also connected, so that together, we can be more powerful than the rich!

People's networking is a very important thing, and should be the key strategy to work. (Mr. Prapaat, Thai community network leader from Bang Bua) It is important that people from the ground and from the communities are rising up, selecting their own leaders - not the leaders accepted by the government and by the upper layers, but the leaders accepted by people on the ground. And we link together different communities in order to link with other organizations like the local authority so that these other systems accept the people's process and the people's way is legitimized and stronger. But the main thing is that we have to find a way that people on the ground are very active; city by city they all come together, and they are the ones who determine the movement and direct the change.

- And the leaders have to find the way that people on the ground actually understand everything (Prapaat again). It used to be in the past that when a community leader went off to demonstrate against some government policy or other, most of the people in the community never knew what was going on. So that kind of protest or that kind of leadership doesn't mean anything! We have to find the way that all the members in the community understand what is going on, and then they can be part of whatever movement that is happening.

5.4 Discussion notes on the sub-group discussions on BEYOND HOUSING

(Somsook) Once housing projects are finished and the big objective has been achieved, the big struggle is over, what then? Often, that's when the community organization goes into a steep decline, now that there is no longer this big common struggle to unite people. After housing projects are finished, people close their doors and don't talk to each other any more. They've got what they need now! But when poor community people link together, we've got to think not only about housing, but about so many other needs which are part of poverty: welfare, income, education, health, etc. What are the forms of helping each other? The way we work together as poor communities should not be one-dimensional, focused only on housing! Even housing and community improvement should have many dimensions, which touch all aspects of our lives and answer all our various needs - not only the physical thing of houses. There is a big danger if we concentrate all our energy on only this one single issue!

(Jockin) 90 per cent of people who get houses stop saving and leave the federation! How can we sustain the process that way? In Nepal, the minute people get their *lal purja* (individual land title), they say goodbye to the savings group! In South Africa, as soon as people get their loans and housing subsidies, they say goodbye to the federation! Why? Because now people have a special room to dance inside of, all by themselves! Still, these are issues we have to look at and answer. One idea is collective loans and collective ownership - all as a community.

(Nandasiri, Women's Bank in Sri Lanka) The process of the people has to be continued, beyond housing. And in the globalization context, all our resources are gradually drifting into the hands of multinationals. Health, education, training and all sorts of things are going into private profit. So the fate of the poor is getting more and more dangerous. I think the only way is for poor people to unite and face this situation.

- Therefore I think that housing is not the only question. We have to address ourselves to health, to education, to income generation - everything.
- What is power? Power is production, distribution and markets. Now all these three components are in the hands of multinationals. Therefore, the poor people have to take over all these things! Where is the market? 60,000 poor households form the Women's Bank market! Where do you sell your products? Where is your market? The market is us. So the poor have to be trained for

production purposes, and they have to take over the distribution sector and the selling sectors. Until then, we will be poor!

(Somsook) Some of us sitting here have already got housing, many have not. Many people are now in the process of finding out how to get a secure house. The key issue is that after we already have our secure house, how we can find a way that our process continues, so that people in the community don't become split and don't become isolated and living on their own too much. How can we continue the development process after the housing problem is solved?

(Thailand) A woman from one of the upgraded communities in Bangkok) What we have found in Thailand is that once the housing development process is over, people stop working together and the community starts splitting. And some will want to sell their plots to outsiders, which would mean that all our work means nothing!

- We cannot stop after housing, it has to continue. When you get your secure house at last, you are happy and you forget; you are not involved in other community processes any more. This is not right! People should continue to help each other.
- And those of us who live in secure communities with good housing now should also be involved in helping other communities to solve their problems of housing and land, in other places. So we should be helping them at the same time we are continuing our own development and our own community organization. So we do two things - we cannot stop, it has to continue.
- And there is so much more work that we still have to continue doing, such as youth, income, community welfare and many other issues which still have to be developed and which the community still has to contribute to. We also have to continue our interaction with the city, because the city doesn't understand our plans or our ways of working, so we have to continue interacting with them to make them understand, so we can be more active in the city process.

(Thailand: Paa Chaan, from Klong Lumnoon upgraded community in Bangkok) Not just our housing, but our whole lives change. When we have gone through a long housing struggle and we have got a good secure house, our life also changes. It's not only our housing condition that changes, our whole life also changes. And this is something very important, because we want to bring about change in the lives of the poor.

- By then, besides having a good house, we have a lot of experience, we have a lot more friends, and we have a new dignity as a new person. We have gone through something so important, and we cannot stop that.
- Graduation with a high degree! Before, when we urban poor were isolated, we had lots and lots of problems. I myself have got a hot temper and spent a lot of time being so angry! Most of us have very little formal education, but after going through this long process with my community of getting a house - which was our own process with full participation - we feel like we have graduated with a high degree!
- Continuing to give to others: It is the graduation of poor people into another level, and in this new level, we would like to give something to others, we would like to share what we have learned and what we are so proud of. It is a new kind of dignity. This is something we can't stop, but have to continue doing, this sharing and giving to others.

(Rose) "I'm no more there, I'm having my own house now." Many countries here have already built houses, no? What I want to know is which countries still have members who are fully participating even after they get their houses? (India and Pakistan raise the hands). But in how many countries did people go into their new houses, close the door behind them and forget to come to the meetings, forget to save, forget their neighbours? I am telling you that we have this problem very seriously in Africa, where 90 per cent of the housing projects we have done have this problem!

- Exchange programs are vital to keep things going : What I'm trying to say is all the activities of the federations, after building the house, the members are saying "I'm no more there, I'm having my house." But we have groups from India and Nepal where that has not happened! That's where we have to learn. Because the main aim of the federation is for us to be stronger in our

organization. Exchange programs are vital. Not one of the groups emphasized exchange programs as a learning process amongst each other, in order to achieve every issue we are talking about! We need to take exchange programs again as a very important tool, to learn. Places like India are the best places to learn about sustainability in our organizations, about how to keep members inside the organization.

- Excuse me Mr. SDI President - I would like to request to you that we need more money for these exchange programs! We need to go to places like Nepal and India, where they have figured out ways to keep their organizations alive after the housing is finished. And not just this issue, but all the issues we have been talking about, this learning needs exchange, and exchange needs MONEY!

6 Day 3 - Nov 12, 2007

Morning program : Entire group visits Government House
 "People's Diplomacy" - Visit to Government House, to have a dialogue with the Deputy Prime Minister and Minister of Social Development and Human Security, Mr. Paiboon Wattanasiritham, and other ministers.

African groups sing their greeting to the Deputy Prime Minister : *"Zenzele! Oooh Laa Laa!"*

Somsook: *Invites the participants to meet, share and express their appreciation to the Thai government policy which has opened up a national process for communities to lead and own their own development process. Introduces the visiting groups from 20 countries: South Africa, Namibia, Zimbabwe, Kenya, Malawi, Tanzania, Uganda, Zambia, Pakistan, Mongolia, Fiji, India, Sri Lanka, Nepal, Philippines, Indonesia, Vietnam, Lao PDR, Cambodia and Thailand.*

- *This is a strong group of people here. These are the people who are working hard, who believe in community-led development, who are actually making change in their various countries and who have achieved a lot. They are doing all this through community saving. Many are also using community development funds, which people put together - sometimes with government funds - as important tools, so that community people can manage their own development processes, by themselves.*

Jockin Arputham (*President, National Slum Dwellers Federation - India, President SDI*): I think this must be one of the first ever events where a group of slum-dwellers - and even pavement dwellers who live on the street without any structure to live in - are coming to Government House and sitting with the Deputy Prime Minister and telling him about the reality of the very hard conditions they are living in their respective countries.

- *Most governments in the world are not willing to entertain the community people to talk directly to the government. Most of the time, the government always hears from a third-party, or high-level intellectuals who write reports and who talk big things. But we are the people, sitting in front of you, who are living the poverty everybody's talking about. We are the people who are earning daily:. We are rickshaw-pullers, hand-cart pullers, head-loaders, street vendors - people who don't have any other means of survival.*
- *"Not a single person who has come here is NOT saving!" Everybody is saving, but we have different systems: there are daily savings, weekly savings, monthly savings. There are so many people saving, but they're not only saving money, they're collecting together all the poor people.*
- *And all these poor people are not coming together to argue with the government! I am very clearly telling the government and the policy makers that we are here to change our lives. We want to get drinking water and we want to get decent houses ourselves. But we need the hand of the government. If the government supports us, we are there to do all the work ourselves.*
- *Today CODI is spread all over the country, and we are very, very happy to share all this knowledge, from all over the world, with the Thai people.*

- *Last night we had dinner in the settlement along the canal (Bang Bua). And the Africans and Asians were dancing all night with the people in that settlement to celebrate their beautiful new houses and their secure land. They never thought they would get the land, they never thought they would build such beautiful houses. But those houses were not built by developers, they were not built by contractors. They were not built by some scientist making an experiment to change the poor!*
- *Many of these groups today wanted to bring their Ministers with them on this trip to Thailand. And many have already visited - like Malawi, Mongolia, South Africa - to learn from CODI and how the Government of Thailand has found ways to work with the people and to allow them to do their own development. South Africa is now talking about adopting a CODI model in their country. We are here to appreciate the Government of Thailand - regardless of its political ups and downs, which do not concern poor people. And we give thanks on behalf of the global urban poor to the Government of Thailand for what it is doing for its people; bringing the people to be closer to the government, changing the policy to be more suitable. I don't know how many millions of dollars have been spent in this kind of process! Many of us can't imagine in our countries the government giving such money from the government budget for people-driven development! We go to our government and beg for just a hundred thousand rupees, and the government doesn't give it! And the cities tell us they have no money!*

“In the city of Bombay, where I come from, there is only one single toilet for every 800 persons. But here in Thailand, when we come and look at the development in land, in housing, in infrastructure; loans are made available to the people - easy installments - and it's all down to the people's process! We have come to take back to our own countries what you all are doing here, to tell our governments. Look at this model! This CODI model, and this Baan Mankong model could be replicable everywhere! Every city and every mayor and every housing minister should learn what you are doing here.”

- *Request for a community-ministerial conference in Thailand: And I would request, on behalf of SDI and ACHR, and on behalf of all our NGOs and communities here, please why can't the Government of Thailand host a slum dwellers conference like this, and invite ministers and all the good-minded people in government from all our different countries to come here and see what is happening, really look at what kind of change has been brought about by this CODI model. On behalf of all of us who have come here, from three continents - Latin America, Africa and Asia - we have come here to greet you personally, and also to express our admiration to the Government of Thailand, which has made this kind of policy provision which brings the government so much closer to the poor.*

“And I, on behalf of SDI, also want to request the Honorable Deputy Prime Minister to be on the board of directors of SDI's new creation - a "Global Urban Poor Development Fund" which is going to come very soon. We have already raised US\$ 10-15 million.”

Rose Molokoane (*National Community leader from South Africa, and representative from SDI Africa*): I would like to thank you all for giving me this opportunity to put forward the voice of the poor people, and to explain how appreciative all these slum dwellers are to come here to Thailand and to share this good experience that the Thais have already started. I'm feeling very honored to sit in this gathering. I never expected that while we are all here, we'd come and share with the Deputy Prime Minister, talking openly about what we need, talking openly about how we address our issues on the ground.

“When we say that government should be a government for the people, by the people, and with the people, this experience in Thailand is a practical example that is actually taking place now.”

I would like to explain about this process of poor people coming together. The concept started in Asia - maybe because there are a lot of poor people in Asia, I don't know. But when the idea was thrown to Africa, it started at the very bottom of the continent, in my country, South Africa. We accepted this concept of poor people coming together, although we thought then that we were a rich country and were achieving everything through our new government. At the time when the Asians first came to South Africa in 1991, we also invited some other African countries to come and listen to the stories from the Asian countries.

And that is when we started to say: *Staying in different continents, staying in different countries, being poor as poor people, we are the same people. Because whether you talk about it in Thai, or in Hindi or in Shona, the meaning of poverty is the same.*

Women: One of the most important tools we have used to be successful in building our people's movement is by putting women at the centre of the process. As Jockin was saying, when you touch a woman, you are touching pure gold. So we always explain to our people that the definition of women is very important to understand: W-O-MEN are "Well Organized Men!" Behind every successful man there is a woman. That is why SDI is so strong - because it is lead by women. But we are not so jealous that we are closing doors for men to come in. We need their muscles to help us build our houses, but they should not interfere with the management of finances. Because women are the best financial managers.

What we want, we have to achieve by ourselves: Within SDI, we are using the little money that we have saved, and saying to ourselves, "We have been taken for granted for many years, we have been taken as subject for discussion by the formal world, but now, through our organizing, we have to raise our voices, so we can be understood." And what we want is what we have to achieve by ourselves. We use the concept of self-reliance to organize ourselves. We are saying that we would like to use the little money that we are saving to leverage to attract more funds.

Hot money and cold money: Our money is what we call hot money - our savings is so secure and so much our own that nobody can touch it. But we also need the cold money, which is the formal finance coming from the formal world, to augment all the hot money that we have. So the daily saving that we are doing is not enough to address the needs of the poor. We are having problems of land and housing, we are having problems of poverty, and we are having problems of homelessness. These are three major issues that are affecting our daily lives. For us to have strong and healthy and united families, we have to have adequate, affordable and good housing. For us to be safe where we are staying, we have to have security of tenure. People have to have title to the land where they are staying. But it is so difficult for us, as the poor, to achieve all those things in the time when we need them because the policies and bureaucracies of the government make it so difficult for poor people to understand, and so difficult for poor people to change.

But we are not going to give up. We may be landless, homeless and poor, but we are not hopeless. We are our own professionals. We are using our own natural skills to try to influence the policies of the government. And then we are saying that what we are doing on the ground is the strategy that can strengthen our government to also achieve their goals as the government. So today, we are feeling so honored that the Government of Thailand is here to open their ears and listen to the poor people themselves, who are raising their issues.

"We are not to say please give us this, or please give us that. We are not saying we are dependent on you - No! We are not dependent on our governments. We are trying our level best to improve our lives. What we want to say to the government is join hands with us, and let us walk the same path together, let's become partners. Why? Because we are so authentic! We've got information. We've got the knowledge. We've got the understanding. We want you to augment these things so that we can achieve a better world for all of us."

We are not lazy! That is why the song we sang says “We don't want lazy people in SDI. If you are lazy today, you have to resign from this organization, because this is an organization for people who are committed, who are ready to change their own lives, who are ready to pull the government to their side.”

Many of the poor say that to solve their problems is to confront the government (in Africa, we say to towee-towee against the government). No! We want to towee-towee around the table, like we are doing here today. We are coming to towee-towee to you to say, "We have money, but it is not enough. We need more money because our development is SO huge! Poor people in our countries are so many, that when we build one house, 100 other will come and say we also want houses. So our hot money is not enough to reach all the needs.”

We were told that today, we would be coming to meet the "big guns" who are having this - money. We need money. Poor people need money. What do we want? Money! And what do we want to do with money? Development! That's the thing that we want to achieve.

“Professionals and the government can sit down, discuss issues and come up with beautiful policies that Jockin always says are like beautiful ladies with no husband to marry! But we - the poor people, ordinary people staying in ordinary communities - we are the only authentic group of people that can make the world become beautiful. Because if you don't allow us and don't give us space to change ourselves, and if you keep saying "We will do it for you," we will become lazy for the rest of our lives. But if you say, "Do it!" then we will support you. Then you will see wonders! You will see beautiful countries coming up.”

We have been visiting many upgraded communities here in Thailand. I was saying to myself, how are these people achieving this? They were staying in shacks right in the water, now they have such beautiful houses! I was saying to myself, I wish I could take all the Thais to come and build such houses in South Africa. Because I'm telling you poor people in Thailand: *you are VERY good at building houses!* I am applauding you for that.

How the Thai model is getting borrowed elsewhere: We came to the World Habitat Day celebrations in Thailand last year with our Minister of Housing from South Africa. We had a meeting with our minister, and Somsook was there. Personally, I tried to convince my minister to listen to what Somsook is saying: she's talking about the partnership between communities and the government, and that the partnership is so successful. What can we do in South Africa to copy this model? She didn't want to tell me, "Rose, you are beating me with ideas," and instead she said, "OK, we will see, we will see." So I got a bit demoralized. But when we went back to South Africa, we requested her to host an international slum dwellers summit, and she agreed to host it. And in that summit, she agreed to pledge an amount of 285 million rand (US\$ 42 million), and has opened doors for her government to invite Thailand to come and give their ideas, give us the model and share with us about the CODI experience, because if we can implement the same model in South Africa, it could be a very good model that could be replicated in many countries. So we are now requesting the support of the Thai Ministry and of Somsook to come and help us in South Africa.

- *In South Africa we have a subsidy system.* Each poor family in the country gets an amount of US\$ 5,000 as a housing subsidy. I think it is a lot of money for poor people. So I'm selling this idea back to the Thais, and asking, Can we also get US\$ 5,000 for each and every poor person in Thailand as a subsidy, so that we can build such beautiful houses for all?

Viva SDI viva! Aah-laa Aah-laa SDI haa-laa-laa! Aah-laa our Honorable Deputy Prime Minister hal-laa-laa! Thank you very much.

Paa Nome (*Community Leader from Baan Rom Yen Community, Chumpae, Khon Kaen Province*): Thailand is very poor, but in South Africa, we've learned many people don't even have toilets! I'm so proud of this government which gives its full support and guidance to the Baan Mankong community upgrading program. And I'm proud to show these visitors from 20 countries how we use our own savings to organize ourselves and to improve our lives and communities.

- My house and my community in Chumpae is now beautiful, after we upgraded with support from the Baan Mankong program. *We never get bored in our community network in Chumpae* - we're busy with work, meeting each other, talking together, making exchange visits, helping communities in other cities prepare their Baan Mankong proposals. I am so busy with work around the country, in fact, that I almost never get a chance to sleep in my own house!
- *We have no fences between neighbours in our communities in Chumpae*, after upgrading. We believe that if you do good deeds, nobody will steal from you - those good deeds will act like a fence to protect you and your house.
- The local administration in Chumpae has been very helpful to our city-wide upgrading process. We had to work on this, and if any other communities need help coordinating their upgrading projects with their local administration, I can help!
- And today we can walk right into Government House here, and nobody looks down on us, even though we may not be wearing beautiful shoes!
- Acharn Paiboon, the Deputy Prime Minister, came to inaugurate our newly upgraded community in Chumpae, and during the celebration, he visited my house and used my toilet!

Paa Chan (*Community Leader from Klong Lumnoon community, Bangkok*). (Please excuse me, but we don't like to address Khun Paiboon so formally as "*Your Excellency*", now that he is Deputy Prime Minister. We like to call him *Acharn ("teacher") Paiboon* because he is our teacher and our friend.)

- *The issue of using public land for housing* : Many communities around the country now are negotiating for government land for their housing projects - for upgrading or for relocation. The questions these communities have to ask are: can you get a long lease to the land? Can you pass on your rights to that land to your children? To your grandchildren? We need to invite communities and other land-owning agencies and ministers to come and discuss this issue, so that we can help make more public land available for people's housing.
- *And we want to help our brothers and sisters in these 20 other countries*. The way we can help them is by sharing our experiences, telling them about our struggles and about how we overcame our housing and land problems in our communities. I am very proud to be here, and to be speaking with you today - *I feel like I'm floating!*

Khun Paiboon Wattanasiritham (*Deputy Prime Minister and Minister of Social Development and Human Security, Thailand*): I would like to add that for the Thai people, we should be proud and happy to have groups of grassroots community people from 20 countries around the world to come to Thailand to meet together with their Thai counterparts and have a chance to see first hand the experiences we've had and have a chance to exchange information and ideas from various countries. I hope that you all have gained both knowledge and understanding and appreciation, as much as the Thai people have gained from meeting with all of you.

- What is in addition to the gains in knowledge and understanding, is the benefit of exchanging cultural values - the singing from our African friends, smiling from their Asian counterparts. Such things reflect the rich cultures that we all have, and cultures are very important. They are essential parts of life, of society.
- *Within Thailand, we have various types of cultures*. And it's good that all of these cultures can mingle and blend. In the case of Thailand, we have done relatively well in terms of having the benefit of different cultures within our society and can see that those differences become advantages. But when we have a chance to be exposed to other cultures from other countries and other continents, this is the richness of humanity, and the richness of cultures reflecting the values that all humanity has. And people are one and only in the same part of humanity. If we think in this way, than we are all one. We are not separate by boundaries, by races, or by religions. We

are all humans; we are part of the same humanity that has existed on this earth for hundreds of thousands of years. *And hopefully will continue, by being able to progress, and progress on strength, as opposed to weaknesses.*

- *Many of you have said that by having savings, community groups, housing schemes - all these are part of the people's movements. And you have succeeded mainly because these efforts have been based on strength - internal strength, spiritual strength, intellectual strength. In addition, of course, to physical strength. It is only on people's strengths that we can solve poverty problems, on a sustainable basis.*
- *Right now in Thailand, there have been discussions on how to solve our poverty problems. Thailand, like many countries around the world, is faced with poverty problems - more or less. Just last weekend, there was a big annual conference organized by the Thailand Development Research Institute (TDRI), and the major theme of the conference was *how to solve poverty*. One conclusion from the conference was that we need a proper mix of economic liberalism, populism (which means helping ordinary people), and a state welfare system. Now that is easier said than done. It is easy to talk about principles, but so difficult to put them into practice and extremely difficult to manage in such a way as to make them really effective and really sustainable in the longer term.*
- *What was not said in the conference - perhaps because the participants were mostly academics, government officers and business people - is that the one really essential component of poverty eradication need necessarily be *the strength of the people*. Whatever programs are conducted by the government, they should lead to the strengthening of the people's abilities to organize, to manage, to learn and to progress. If programs don't do that, then they will most likely be short-lived and have results only in the short-term and superficial basis, and not deep-down in the real abilities of the people.*
- *So I think if I may exchange with you (both the international friends and the Thai groups) I would say first that I am happy to represent the Government of Thailand, to welcome all of you at this Government House. Secondly, I share with you the happiness that we have had this unique international meeting that has benefited all parties who have attended the meeting.*
- *Thirdly, I think we confirm the belief, from real experience, that by learning together, working together, adopting self-reliance, unity, networking and such processes, we are able to solve our problems; we are able to expand our program on a wide basis. In the case of Thailand, we can now cover the whole country. And I expect that all countries can do the same, if we continue with this approach; if we continue with the strengthening of people's groups, networks and movements, with the support of facilitators and coordinators such as CODI, and of course with the support of the central and local governments in appropriate manners. So I thank you all for coming to Government House today. I hope that the cooperation, network and mutual learning among groups from many countries will continue and expand, so that we can cover more and more of the people's movements. In this meeting, it is mostly urban people's movements, but as in the case of Thailand, eventually the urban and the rural movements are part of the same thing. And in most countries, I am sure that the rural and urban movements will eventually join up and become part of the same movement, to the benefit of all parties involved.*

General Surin Pikuntong (*Chairman of the National Sub-Committee on Land Conflict Resolution.*)
Somsook: This committee is so important for solving both urban and rural land conflicts. He knows all the rules and regulations, and whenever people have land problems - anywhere in the country - General Surin will not hesitate to go there, and try to find a way to solve the problem, together with the people and the concerned government organizations, in all the areas all over the country. Land is one of the biggest issues we have been discussing in this seminar, because all the slums around the world are living on somebody else's land.

- *Thousands of communities in rural and urban areas all over Thailand face serious problems of uncertain land tenure and eviction. The Thai government is strongly determined to address this issue and resolve the problems. But when attempts to address the land issue are initiated by government agencies, the success is very low. When CODI was set up and made solving the*

problems of poor communities - *by communities themselves* - their "front line", a new way of addressing these land issues emerged.

- Communities have to be united to solve their land problems, and the initiative must come from communities themselves - not from the government. The best solutions to land problems are the ones that are worked out by the communities themselves, and their larger networks. When communities have confidence and horizontal support and good morale, these problems can be solved.
- In Thailand, even the landless rural poor families can now access 2 rai (3,200 square meters) of land for their subsistence living through the Rural Baan Mankong Program - and even on such a modest piece of land, it is possible for people to survive and to thrive, when their tenure is secure, and they are supported by a strong community.
- When every single family - even the poorest - can have a piece of secure land and can survive, that is the basis of a democratic country! I'm proud that the Deputy Prime Minister has set a standard about securing land tenure for the rural and urban poor for future governments to pursue.

“We have learned through experience that simply imposing rules and regulations and enacting laws and bills on access to land is not enough, and will not solve the deep problems of insecure land tenure in Thailand. The way to find lasting solutions to these problems is not by changing the government or changing the laws, but *by changing the communities*. We now realize that we have to change the people, so that they become involved, they become the centre of the process of solving these problems. When people are involved, and have some freedom to create new kinds of solutions, it makes our work much easier.”

- I am really happy that so many countries are here and will be able to see the kinds of transformations happening in poor communities around Thailand, as they negotiate their own terms of secure tenure and then upgrade their housing and living conditions, with support from the Baan Mankong Program.
- You have seen this change when you visited the community along Bang Bua Canal, and saw the difference between how people were living before the upgrading, and how they are living now, with secure land and new houses and a healthy, more wholesome community.
- It may take another five or ten years, but maybe we'll be able to show you a whole country where the land problems have all been solved, a country without any slums at all!

Woman representative from the Lao PDR team (*from the network of "Ton Ngun" women's savings schemes now operating in 12 districts around the country*) : We also feel very proud to be here in Government House today. We get good support for our savings process from CODI and from the community savings networks in Thailand. Five years ago, CODI helped us to set up our savings groups and worked with our government and with the Lao Women's Union to set up community funds around the country. These savings groups - and the district development funds that supplement them - really help us when we are in trouble and have needs. But more than just providing us with a source of loans, the savings process has united the people in our villages, and helped us to revive and strengthen our old traditions of helping each other. Thanks to the Thai government and to CODI for giving us this guidance and support.

- The savings and community development funds in our villages are a learning process for us. Through savings and loans we learn how to manage money cooperatively. Plus, the community-savings process is showing the Lao government a new, community-managed strategy for getting rid of poverty - a strategy they have now been made into a national government policy.
- In our system, every community first builds up its own revolving loan fund with just the women's collective savings, and then these savings groups are linked together in a district, and can then borrow additional capital from the district-wide community development fund.
- We now have savings groups in about 353 villages, in 12 districts, with savings of about 15,000 million kip (US\$ 1.5 million). We have good coordination between all these groups around the country through the network. We are trying to set it up something like CODI.

Woman representative from the Cambodia team (from the Network of Community Savings Groups in Phnom Penh): Thanks for the good chance here in Thailand for us to learn more about community savings and credit, and about community upgrading. We are also very busy with our savings groups, with our upgrading projects, with our surveys and our community-based development funds, with support from the UPDF.

Ms. Sikhulile Nkhoma (from the NGO in Malawi which supports the Malawi Homeless People's Federation): I want to speak briefly about our experiences in Malawi, where our government has taken a step where it wants to develop its people. The government is currently saying that Malawi is not poor, but there are these people who are still poor, and they want to tackle the poverty problem in Malawi. In the urban sector, the government has supported the people when they realized that the people on their own had started their savings, organized their meetings and were trying to develop from within. The government has given them support through the provision of land and kick-starting a housing process where, within two years, so much has been done! I think we have built over 600 houses.

- But when the government realized that that's not enough, they wanted to learn. And one of the places we have come to learn from was here in Thailand, where we came with our Housing Minister last year. And that visit gave us all a feeling that this can be done, just by being here and seeing what the government and the people can do, when they work together like this, as equal partners, and the government makes a commitment to supporting a development process which is driven by people.
- It is very difficult for governments and for professionals to think that poor people can do it alone. So I think what the Government of Thailand has shown is how to give up the lead, and say let the poor do it. And before that step was taken, whatever we are talking about here would not be possible.
- So that is something that we learned in Thailand, and we are hoping that it will be possible for the Government of Thailand to also support, and act, as a kind of model and guide to other governments which haven't been able to make that step. I don't know much about international politics, but when we are looking at this urban poverty sector, what the government of Thailand has done is to put itself at the core of international development on these issues of supporting poor people to be the drivers of economic development.

“So maybe we can look at it from that point, where we are actually asking the Government of Thailand to push itself into the international space to say look all around the world; each country has its own specialty. Our country has the specialty of turning around poverty through the people. I guarantee that there is not one country represented here today who would not like to come to Thailand with their government officials to learn from you and see what you have done. That way, this one great success you have made here in Thailand will trigger other successes in other countries. And for the poor, this could lead to genuine changes in their lives.”

- When we see how the Baan Mankong upgrading program is so successful in making solutions to land and housing problems in urban poor communities all over the country, we understand that the best role for the government to play is to let the people do it!
- In Malawi, we tend to think of housing as a social need, and we all know that no government is much interested in investing in any social need! But one thing we have learned here in Thailand, housing is not looked at as a social good to be given to poor people, but as a generator of economic growth. This is something that other governments can't see, and they can't see it without interacting with other governments who understand this. Our governments could have much to learn from this experience in Thailand, especially when they see how this housing process is very much part of the overall economic growth in the country, which is very strong.

Ms. Enhe Tsendendorj (from the Urban Development Resource Center, in Ulaanbaatar, Mongolia): In Mongolia, we spent 70 years under the socialist regime, and that made us very dependent on the government. Since that period ended, we are slowly realizing we have to rely on ourselves. Over the past two years, we have received a lot of help from Thailand to set up savings groups in poor communities in Mongolia, to establish our urban poor development fund, and to help us show our government officials a more community-driven approach to solving problems of urban poverty and housing through study tours here and through visits by CODI and Thai community savings group leaders to Mongolia. The Thais are the heart of this new movement in Mongolia.

Mr. Semiti Qalowasa (from the Ecumenical Centre for Research, Education and Advocacy (ECEA) NGO in Suva, Fiji Islands, which supports the new Network of Community Savings Groups): In Fiji, we are also having some political turmoil and are now under a "transitional government" after a series of coups d'état. So we felt at home when coming to Thailand! Our problem in Fiji is that our elected government, after they are elected, they forget about the people who elected them. We are also just starting to build a network of poor community savings groups in Suva and other cities in Fiji. So perhaps after the new government in Thailand is elected in December, we would like to invite the Deputy Prime Minister to come down to Fiji to help us set up a similar kind of government support structure for poor people in Fiji - but only if you have the spare time!

Ms. Banoo Sayed Ishaq (From the Mahila Milan Women's Savings Collectives in Mumbai, India) Banoo explains a little about the street-side settlement where she lives in Mumbai, and about how the women who live there, who are among the poorest in the city, began to save their one or two rupees daily, as a way of organizing themselves to find alternatives to the constant threat of eviction. And now, 25 years later, their movement is strong in 70 cities all over India, and they have built thousands of houses and hundreds of community toilets.

Deputy Prime Minister, Khun Paiboon Wattanasiritham: Closing remarks. I would like to say how happy I am to have listened to many accounts of what you have all done in different countries. The essential feature that I would like to repeat is that all people, no matter how poor they are, do have strength. And it is on that strength that people can develop. And the amazing thing is that it can be done, it has been done, and it is being done now in so many countries. That is a joyful revelation. And I hope that that progress will continue with learning, with working and with liberty. Especially learning together, working together and living together. I think this can be the way that we can move forward. And I wish all of you the best of the opportunity to be able to learn more and succeed more. Together we can move forward more and more, and cover more and more people, more and more areas, more and more countries.

- Let's hope that from now on, the people's movement will be a global movement. (applause!) Even in the so-called rich countries, there are still people who are poor, disadvantaged or socially excluded. And there are still demarcations and conflicts in the world. So we need the people's movement to solve not only poverty problems, but also problems concerned with conflict, wars and various types of violence.
- Last but not least, our friend from Fiji has talked about the fact that both of our countries have interim governments. The Thai interim government will come to an end in about three month's time. That means my term will end in about three months time, and I am looking for a place to go after that. So if Fiji is a good place, I'll come. That's a wish - it may not come true.

Thank you all for coming. I hope you have all gained something. Thailand has certainly gained a great deal. Have a happy stay during the rest of your time, and have a great success when you go back. Thank you very much. (Presentation to the Dep. Prime Minister of some souvenirs from Zimbabwe, with more singing!)

7 Afternoon program : Closing discussions at the CODI Office

Somsook: Don't have too many illusions about what is happening here! (After Lajana and Pakistani delegates give a glowing and complimentary report on all they have seen in Thailand) But don't have too much illusion, be careful. Because all the things you are seeing here in Thailand is not something permanent. At a certain point of time, like today when you visit, everything is very nice, and very good. But things can change very fast. In three months time, the government in Thailand will change. Next year I will no longer be the director here in CODI. The policy may go up and down, money may come or not come. Everything will continue to change.

- But the one thing that is permanent is people. The permanent thing is people, is saving, is the growing people's process that nobody can stop. And only if this process is permanent then the other things will also permanent. Long term policies have never been certain, anywhere! In Pakistan, for example, the president Ali Bhutto said all the poor people in the country can stay where they live now! What a great policy for the poor! But how soon after that did he get killed, and now there are a lot of evictions going on. Things go up and down - sometimes very bad and other times very sweet!
- This morning I was telling my Thai colleagues, it's just too damned sweet, too nice. (Jockin: Too sweet to trust!) Real life may not be like that. But still, it's good when some positive space is created for poor people to do things, and that they can feel good and inspired, so that we can see that this kind of thing is possible! These sweet times show clearly that there is no limitation to our ability to solve these problems in such creative ways, when people just have the room to do it. We can go to any limit, we can be the government, we can own the policy!
- There is no limit to change. That is the thing. But permanent or not permanent, that we will never know! The only thing that we know is permanent is the people's process. Nobody can stop the poor from coming together and doing their saving - who can stop that? As long as we can keep expanding our "empire", our power will be bigger, negotiation will be easier. And they will come to play our game. It's not us who go to serve the different big men in government who keep changing!

**8 Annex 1 - ACHR Regional Community Savings and Credit / Community Fund Seminar.
List of participants and contact details**

CONTACT GROUP	People who joined the seminar
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