AFFORDABLE LOANS FOR THE URBAN POOR

As more people move to cities, slums largely result from inadequate housing policies which are only compounded by lack of affordable housing finance for the poor. Thailand has devised an effective response.

Thailand’s Baan Mankong Programme

The Baan Mankong Programme (‘secure housing’ in Thai) was launched by the Thai government in January 2003 as part of efforts to address the housing problems of the country’s poorest urban citizens. Under the scheme, the government subsidises infrastructures and concessional housing loans directly to poor communities. The programme is implemented by the Community Organizations Development Institute, which grants housing and land-purchase loans to communities from its own revolving fund. Beneficiary communities plan and carry out improvements to housing, the environment and basic urban services, and manage the budgets themselves. Those communities under serious threat of eviction are given priority. Instead of delivering housing units to individual poor families, the Baan Mankong Programme puts slum communities at the centre of a process of developing long-term, comprehensive solutions to land and housing problems. It is unconventional insofar as it enables poor communities to work in close collaboration with local government, professionals, universities and non-governmental organisations. So far, 512 projects have been approved, benefiting 53,976 families in 1,010 distinct areas.

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