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# Urban poverty reduction: learning by doing in Asia

SOMSOOK BOONYABANCHA AND DIANA MITLIN

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**ABSTRACT** This paper describes the Asian Coalition for Community Action (ACCA) programme that was initiated by the Asian Coalition for Housing Rights (ACHR) in 2009. ACCA seeks to catalyze and support community initiatives, citywide upgrading and partnerships between community organizations and local governments. By January 2012, it had helped fund initiatives in 708 settlements in 153 cities in 19 different Asian nations. In each city, small grants support community-led initiatives that encourage citywide networks to form, where members share skills with each other and learn to negotiate with their local governments. Further support was available as local governments engaged and then came to support this process, including the formation of jointly managed community development funds. The paper also describes how the design of ACCA drew on earlier work, and ends with a reflection on what has been learnt with regard to more effective ways of reducing urban poverty. This explores the two underlying dimensions: first, the creation of institutions based on relations of reciprocity; and second, the strengthening of relations between low-income community organizations such that they can create a synergy with the state. One key lesson is the need for financial systems that allow the urban poor to be the key agents in addressing their problems and in bringing in city governments to work with them. This collaboration can lead to the urban poor being recognized as legitimate and highly productive residents and citizens of the city.

**KEYWORDS** ACHR / civil society / community organizations / community-driven upgrading / informal settlement upgrading / urban poor

## I. INTRODUCTION

This paper describes the Asian Coalition for Community Action (ACCA) programme that was set up in 2009. This was initiated by the Asian Coalition for Housing Rights (ACHR) to catalyze and support community-driven upgrading initiatives and citywide networks of community organizations able to negotiate and work with local governments. This paper explains why the ACCA programme was needed, and briefly describes the context in which it developed, its historical antecedents and learning foundations. It then describes the processes by which it supports community and citywide initiatives and summarizes its achievements to date. It also explores how ACCA processes help to build reciprocal links between residents and in so doing strengthen local collective processes. Through projects that improve local conditions, synergies are built with local government that catalyze more ambitious actions and investments. ACCA remains a “work in progress” as existing groups deepen their

relations with government authorities; and as new groups and new cities join, existing possibilities are understood differently and new possibilities emerge. A final substantive section analyzes the experience with ACCA with regard to two underlying dimensions: first, the creation of institutions based on relations of reciprocity; and second, the strengthening of relations between low-income community organizations, such that they can create a synergy with the state.

The Asian Coalition for Community Action (ACCA) can be best understood as a living experiment: a learning programme that brings together core principles for effective pro-poor urban development to be explored, refined and re-conceptualized through linked collective processes at settlement, city, national and regional levels. The Asian Coalition for Housing Rights (ACHR), which developed the ACCA programme, is a network that has been present in Asia for more than 20 years. ACCA provides coalition members with opportunities to support local communities living in informal settlements to improve their local living conditions. As activities take place, these communities are encouraged to share their experiences and draw in their local authorities to see and perhaps participate in their activities. Peer learning around this process provides the basis for testing out and refining these local activities, and as new relationships with city governments are established, larger-scale activities are possible.

ACHR's goal is to find a strategy that is successful in transforming development opportunities for the hundreds of millions of people living in informal settlements across cities in Asia. The coalition was formed in 1988 so that civil society groups active in the field of human settlements could improve the effectiveness of their work through collaboration. As elaborated below, people are at the centre of the development processes supported by ACCA, but this does not mean that the emphasis of the programme remains at the local level. The regional nature of the programme ensures that the necessarily localized actions are linked through scaled processes at various levels. The agreed working principles of ACCA seek to balance a careful approach to building organizational capacity at the community level with flexibility around interventions, to ensure that the most appropriate and strategic activities are selected. Such flexibility, combined with intense people-led participatory processes, enables grounded material improvements to come together in ambitious citywide processes and plans.

## II. THE SCALE OF NEED IN ASIA

The ACCA programme has been designed to address the acute needs of the urban poor in Asian cities. Despite economic growth and significant falls in urban poverty in many nations, there are continuing concerns. Four of these are particularly significant. First, although significant reductions in poverty have been achieved, poverty figures may be misleading. In some cities, the cost of living has been rising very fast and poverty estimates do not take this fully into account; incomes are inadequate to cover the costs of food, housing, basic services and transport.<sup>(1)</sup> The realities of urban poverty in Asia have been elaborated in households surveys, for example by Begum and Sen who show that the educational status of the children of some urban migrants is below what would have been the case had they

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1. Mitlin, Diana and David Satterthwaite (2012 forthcoming), *Urban Poverty in the Global South: Scale and Nature*, Routledge, London.

2. Begum, Sharifa and Binayak Sen (2005), "Pulling rickshaws in the city of Dhaka: a way out of poverty?", *Environment and Urbanization* Vol 17, No 2, October, pages 11–25.
3. UN–Habitat (2010), *State of the World's Cities 2010/2011 – Cities for All: Bridging the Urban Divide, Overview and Key Findings*, UN–Habitat, Nairobi, pages 70–71.
4. Gao, Q (2006), "Social benefits in urban China: determinants and impact of income inequality in 1988 and 2002", UNU–WIDER Research Paper No 2006/117, UNU–WIDER, Helsinki, 32 pages.
5. See reference 3.
6. The term "slum" usually has derogatory connotations and can suggest that a settlement needs replacement or can legitimate the eviction of its residents. However, it is a difficult term to avoid for at least three reasons. First, some networks of neighbourhood organizations choose to identify themselves with a positive use of the term, partly to neutralize these negative connotations; one of the most successful is the National Slum Dwellers Federation in India. Second, the only global estimates for housing deficiencies, collected by the United Nations, are for what they term "slums". And third, in some nations, there are advantages for residents of informal settlements if their settlement is recognized officially as a "slum"; indeed, the residents may lobby to get their settlement classified as a "notified slum". Where the term is used in this journal, it refers to settlements characterized by at least some of the following features: a lack of formal recognition on the part of local government of the settlement and its residents; the absence of secure tenure for residents; inadequacies in provision for infrastructure and services; overcrowded and sub-standard dwellings; and location on land less than suitable for occupation. For a discussion of more precise ways to classify the range of housing sub-markets through which those with limited incomes buy, rent or

remained in rural areas.<sup>(2)</sup> Second, while historically income inequalities within Asian cities have been relatively low, there are indications that these are increasing.<sup>(3)</sup> There are concerns that these figures are indicative of growing social and economic differentiation in Asian cities. As shown by Gao<sup>(4)</sup> for urban China, there is a significant and consistent increase in the Gini coefficient over the 10-year period from 1990 to 2001, from 0.24 to 0.32. UN–Habitat's report includes Shenzhen and Zhuhai among their list of cities with particularly high levels of inequality, in this case with Gini coefficients of 0.49 and 0.45, respectively (for 2004–2005).<sup>(5)</sup> Third, and related to growth in inequality, there are concerns that there are a group of residents that are being "left behind" because of multiple dimensions of disadvantage, one of which is informal tenure and a lack of access to basic services. The percentage of the urban population living in insecure tenure and without adequate services ("slums"<sup>(6)</sup>) across the sub-regions of Asia remains high at 28 per cent, 35 per cent, 31 per cent and 25 per cent for eastern Asia, southern Asia, southeastern Asia and west Asia, respectively.<sup>(7)</sup> Finally, and as elaborated for four Asian countries (Indonesia, Malaysia, South Korea and Thailand) in an analysis of the impacts of the financial crisis of the late 1990s, households experience considerable income insecurity.<sup>(8)</sup> Faced with such a crisis, real wages and employment fell as households struggled to respond. These findings illustrate the vulnerability of the urban poor who are dependent on the labour market to raise the resources required to address their basic needs.

However, the vulnerabilities of the urban poor are not only income related. As suggested above, the nexus of spatial and economic disadvantage faced by the urban poor includes adverse access to basic services and tenure security. Studies of some rapidly growing Asian cities such as Mumbai and Delhi show that there has been a re-orientation of their spatial development strategy towards the needs of the emerging middle class.<sup>(9)</sup> As economic opportunities have increased at the national and city level, so has the scale of urban renewal and infrastructure investment. The challenge for low-income and disadvantaged households, and for those professional groups supporting their struggles, is to contest models of urban development that involve the physical displacement of the urban poor and that add to the social disadvantage they experience. This challenge involves building momentum behind an alternative and more inclusive vision of urban development.

There is no single understanding of the most effective strategy to achieve such a goal, but there is considerable experience across civil society groups in Asia. The initial catalyst for the coming together of the Asian Coalition for Housing Rights was the evictions related to the Seoul Olympics in 1988.<sup>(10)</sup> The strategies used by Asian civil society have moved considerably since that date. First, there is recognition that positive proposals for alternative plans are likely to have more success than simple opposition. Second, that the strategies designed by organized groups of the urban poor are the most likely to offer an effective solution, with professional interventions supporting rather than driving the development process. Third, there is an increasing sophistication in engagements with the state. It is recognized that while politicians respond to the scale of mass mobilization, actions have to be carefully designed if they are to be effective in producing the desired political outcomes. There is great awareness of the capacity of governments to respond with populist and clientelist measures, which do little to address the longer-term needs

and interests of the urban poor.<sup>(11)</sup> Finally, that improvements at scale have necessarily to engage the state and that, despite the difficulties, relations between communities and state have to be shifted such that there is collaboration, with a recognized inter-dependency, towards the achievement of joint goals.<sup>(12)</sup>

### III. THE DESIGN OF ACCA

The design of ACCA drew on the previous work of ACHR, so it represents the next step in a succession of programmatic innovations supported by the coalition. It builds on a trajectory of learning that dates back to the 1970s, before the coalition was established. This learning has been driven by exchanges between urban poor communities and professionals in the field of urban development across Asia. The possibilities for structured learning have been enhanced by the work of Father Jorge Anzorena from the 1970s, as he visited urban poor communities and documented what they did in the SELAVIP newsletters – and these encouraged and supported the sharing of experiences between urban poor communities and key agencies in Asia from 1986.<sup>(13)</sup> A network started in the most informal way through reading and also impromptu visits between the staff of organizations profiled in this newsletter. In 1988, the learning network was formalized with the creation of the ACHR.<sup>(14)</sup> The coalition's work focused on joint activities, with many opportunities for engagement by network members at both professional and community levels, and learning followed both formal and informal processes. Learning has also been catalyzed by significant state investment in improving informal settlements and shelter options, including the Million Houses Programme in Sri Lanka, the Community Mortgage Programme in the Philippines and the Community Organization Development Institute in Thailand. These programmes each sought to break new ground, and the contribution of their approaches and outcomes has been considerable, although far too complex to summarize here. Each has made an important contribution to understanding pro-poor development interventions. Critical lessons include the importance of low-income communities not relying on the state to address their needs and interests;<sup>(15)</sup> the importance of providing subsidies for a collective process, if it is to include those with the lowest incomes;<sup>(16)</sup> and the importance of networking community organizations at the city level.<sup>(17)</sup> These lessons also point to agreement, albeit unconsciously, with the significance of the synergistic relationships between state and society, as described by Evans.<sup>(18)</sup> As shown below, ACCA's processes do not simply seek to establish complementarities in state and citizen actions, they go further and, through drawing in officials and politicians to change policies and contribute finance, the programme seeks to create and strengthen ties across the public and private divide.

The coalition's learning has also been influenced by the dominant patterns of urban development and the responses of individual and collectivities of low-income households, as they have sought to secure their livelihoods and their futures. At the same time as governments and civil society have been making efforts to address urban problems, continuing processes of development, redevelopment and reconstruction have been underway. While much of this has been progressive and national economic growth has been achieved, as elaborated above, the outcomes

build accommodation, see *Environment and Urbanization* Vol 1, No 2 available at <http://eau.sagepub.com/content/1/2.toc>.

7. See reference 3, page 32.

8. Fallon, P R and R E B Lucas (2002), "The impact of financial crises on labour markets, household incomes and poverty: a review of the evidence", *The World Bank Research Observer* Vol 17, No 1, pages 21–45.

9. Fernandes, L (2004), "The politics of forgetting: class politics, state power and the restructuring of urban space in India", *Urban Studies* Vol 41, No 12, pages 2415–2430; also Harriss, J (2006), "Middle-class activism and the politics of the informal working class", *Critical Asian Studies* Vol 38, No 4, pages 445–465; Baud, Isa and Navtej Nainan (2008), "'Negotiated spaces' for representation in Mumbai: ward committees, advanced locality management and the politics of middle-class activism", *Environment and Urbanization* Vol 20, No 2, October, pages 483–500; Chakrabarti, Poulomi (2008), "Inclusion or exclusion? Emerging effects of middle-class citizen participation on Delhi's urban poor", *IDS Bulletin* Vol 38, No 6, pages 96–103; and Harriss, J (2005), "Political participation, representation and the urban poor: findings from research in Delhi", *Economic and Political Weekly* Vol 40, No 11, pages 1047–1054.

10. ACHR (1993), "The Asian Coalition for Housing Rights", *Environment and Urbanization* Vol 5, No 2, October, pages 153–165; also ACHR (1989), "Evictions in Seoul, South Korea", *Environment and Urbanization* Vol 1, No 1, April, pages 89–94.

11. Benjamin, S (2000), "Governance, economic settings and poverty in Bangalore", *Environment and Urbanization* Vol 12, No 1, April, pages 35–56; also Roy, A (2004), "The gentlemen's city: urban informality in the Calcutta of New Communism", in A Roy and N AlSayyad (editors), *Urban Informality: Transnational Perspectives from the Middle*

*East, Latin America and South Asia*, Lexington Books, Maryland, pages 147–170; and Pal, Anirban (2006), “Scope for bottom-up planning in Kolkata: rhetoric vs. reality”, *Environment and Urbanization* Vol 18, No 2, October, pages 501–522.

12. Evans, P (1996), “Government action, social capital and development: reviewing the action on synergy”, *World Development* Vol 24, No 6, pages 1119–1132.

13. From an interview with Jorge Anzorena published in *Environment & Urbanization* (1993), Vol 5, No 1, April, pages 122–131.

14. See reference 10, ACHR (1993).

15. Russell, Steven and Elizabeth Vidler (2000), “The rise and fall of government–community partnerships for urban development: grassroots testimony from Colombo”, *Environment and Urbanization* Vol 12, No 1, April, pages 73–86.

16. Porio, Emma with Christine S Crisol, Nota F Magno, David Cid and Evelyn N Paul (2004), “The Community Mortgage Programme: an innovative social housing programme in the Philippines and its outcomes”, in Diana Mitlin and David Satterthwaite (editors), *Empowering Squatter Citizen; Local Government, Civil Society and Urban Poverty Reduction*, Earthscan Publications, London, pages 54–106.

17. Boonyabancha, Somsook (2004), “The Urban Community Development Office: increasing community options through a national government development programme in Thailand”, in Diana Mitlin and David Satterthwaite (editors), *Empowering Squatter Citizen; Local Government, Civil Society and Urban Poverty Reduction*, Earthscan, London, pages 25–53; also Boonyabancha, Somsook (2005), “Baan Mankong: going to scale with ‘slum’ and squatter upgrading in Thailand”, *Environment and Urbanization* Vol 17, No 1, April, pages 21–46.

18. See reference 12, page 1119.

for the urban poor have not always been positive. Bhan describes the removal of a large and long-established low-income community from a central area of Delhi,<sup>(19)</sup> a common trend in many major cities in Asia; while Pow discusses the formation of gated communities in Shanghai and the increasing acceptability of segregated cities.<sup>(20)</sup> Such studies report on the exclusionary processes that have accompanied urban development.

These trends, both in the pattern of ongoing urban transformation and in state interventions, have convinced many of those individuals involved in ACHR that the key resource to solving the problems of poverty and housing in Asia (and also more generally) is to support the people who are experiencing problems themselves and who most urgently want change to be more active in developing alternative modalities of urban development and articulating the value in their solutions. The design of ACCA is intended to provide a space conducive to this – enabling people to determine their own solutions. The programme allows people to come together, think together, look at their problems together and take immediate action to address them, using the tools and processes that the programme offers. Individual solutions are aggregated as ACCA’s design creates opportunities for multiple actions within each city, in multiple cities within each country, and in multiple countries across the region. The aggregation of these actions, at a neighbourhood, city, country and regional level, reinforces work at the neighbourhood level and catalyzes additional support through the visibility that aggregation offers. This aggregation provides a critical mass to attract the attention of those in local and national government and other stakeholders who share a similar vision of effective, equitable and inclusive cities.

ACCA is implemented by members of the coalition, groups that are already working on issues of urban poverty and housing. Most of these agencies (which include grassroots community organizations, NGOs, development institutions and architects) have been collaborating with each other for many years. While the specificities of individual agency approaches differ, the common thread is a belief in low-income and otherwise disadvantaged people’s ability and in their power to solve the problems they face. All groups share an important common belief in a people-led process of large-scale change. Many have already supported federations and grassroots networks and most have already supported organized low-income communities to develop collaborative links with local government agencies.

ACCA offers these agencies the tools to enhance, strengthen and scale up the work they are already doing by structuring its interventions to maximize its impact. The core activities of the programme, which account for 60 per cent of the budget, are the small upgrading projects (small projects) and big housing projects (big projects) that are implemented in low-income, informal neighbourhoods by people themselves. The plans for these projects, as well as the citywide surveying, savings and partnership-building processes they are part of, are developed by the local groups, strengthened by peers working in the country, and then put to the regional ACCA committee, which reviews the proposed projects, suggests improvements and finally approves them. The budget ceiling of US\$ 58,000 per city allows a lot of flexibility in the use of resources. The general parameters are US\$ 15,000 for at least five small upgrading projects in five different communities in each city (many groups are stretching this US\$ 15,000 budget to implement as many as 12 small projects). Most

project money goes directly to the community organizations of those living in informal settlements, who undertake the work for themselves. Once agencies have begun their small projects, they can apply for up to US\$ 40,000 for one big housing project in each city, with a maximum of about seven or eight big projects per country. To facilitate sharing, agencies can apply for US\$ 3,000 per city for activities such as surveying, network building, support for savings activities and local exchanges and meetings, and US\$ 10,000 per country per year for national coordination and similar activities at the national level. (Table 2 gives the number of ACCA cities approved in each country.)

There are extremely modest budget ceilings for most of the specific activities that ACCA supports; these ceilings were discussed and agreed upon in the first regional ACCA committee meeting in Nepal in 2009. This small-ceiling strategy helps to de-emphasize the budget aspect of the programme, so that groups can think more about substantive issues within their citywide upgrading process. It also allows the opportunities and budget offered by the programme to be spread out, to reach as many communities and cities as possible, enabling them to become active and to begin working together.

The programme supports the setting up and strengthening of collaborative mechanisms to build linking, learning and mutual support structures. The regional committee set up at the start of the programme helps coordinate this process. The 15-member committee meets every two to three months and is the key regional mechanism for learning, sharing, assessing, supporting the cities, organizing exchange visits, establishing forums of communities and community architects and linking with international organizations. Some sub-regional groupings have also emerged, in which groups in neighbouring countries assist each other more regularly and more intensely (especially in Indochina and South Asia). National joint committees have been set up in several countries, which link community groups, government officials and NGOs to work together to make decisions, learn, assess, advocate, build joint capacity and make policy changes. In other countries, this step has yet to be taken as the processes are evolving at a slower rate. In most of the cities, some kind of joint working group has been established at the city level to provide a platform for community networks, city governments, civic groups, NGOs and academics to plan, to manage the upgrading and city development fund process, to look at land issues and to support change in the city. These city committees are searching for a new kind of partnership and participatory governance process, which is distinctive as it emerges from the development activities being undertaken in the informal settlements. Underpinning these committees are community networks that link low-income communities in the city, helping them to work together, support each other, pool their strength, learn from each other's initiatives, survey and map their settlements, strengthen their community finance systems, formulate their upgrading plans, negotiate collectively for land and for various other resources and changes, and plan joint activities in collaboration with other groups.<sup>(21)</sup>

The rigour in ACCA's processes can be seen in their adherence to 10 operating practices that provide a core around which experiences and experimentation take place; these are elaborated in the paper by Boonyabancha, Carcellar and Kerr in this issue of the Journal. Together

19. Bhan, Gautam (2009), "This is no longer the city I once knew; evictions, the urban poor and the right to the city in Millennial Delhi", *Environment and Urbanization* Vol 21, No 1, April, pages 127–142.

20. Pow, C P (2007), "Securing the 'civilized' enclaves: gated communities and the moral geographies of exclusion in (post-) Socialist Shanghai", *Urban Studies* Vol 44, No 8, pages 1539–1558.

21. See the paper by Diane Archer in this issue of the Journal.

**TABLE 1**  
**Summary of big and small ACCA projects at the end of Year Two (December 2010), including financial contributions**

	Number of projects completed or underway	Households directly benefiting	Budget contributions to projects (US\$)				Total budgeted costs
			Budget from ACCA	Budget from community	Budget* from government	Budget from others	
Small ACCA projects • in 92 cities • in 15 countries	433 projects	65,744 households	1,022,939 (53% of total budget)	541,748 (28% of total budget)	261,632 (14% of total budget)	92,095 (5% of total budget)	1,918,414 (100% of total budget)
Big ACCA projects • in 65 cities • in 15 countries	65 projects	6,838 households	2,307,067 (6% of total budget)	1,868,772 (4% of total budget)	35,677,110 (86% of total budget)	1,594,572 (4% of total budget)	41,447,521 (100% of total budget)
Total small and big ACCA projects • in 15 countries • as of 31 December 2010	498 projects	72,582 households	3,330,006 (8% of the total budget)	2,410,520 (5% of the total budget)	35,938,742 (83% of the total budget)	1,686,667 (4% of the total budget)	43,365,935 (100% of the total budget)

NOTE: \*This includes land, infrastructure, materials and cash. Governments have provided land for the big projects in 37 locations (either free, on long-term lease or for sale at subsidized rates, in instalments).

SOURCE: ACHR Secretariat, 29 August 2011.

they provide a guiding framework that consolidates the regional experiences referred to above but that also allows local groups and city processes to follow their own dynamics and opportunities. The need is to balance a careful consideration of earlier experience, so as not to repeat mistakes, while providing the space to explore, challenge, invent and re-invent practices of inclusion and poverty reduction.

#### IV. THE ACHIEVEMENTS OF ACCA

ACCA activities have rapidly been taken up across Asia. By January 2012, the programme was supporting activities in 708 settlements in 153 cities in 19 Asian countries – a total of 107 big projects had been approved with a budget of US\$ 3,981,767 and a further 708 small projects with a budget of US\$ 1,829,500. Community development funds have been established in 107 cities, and in 70 of these the process of establishing these funds has been directly linked to ACCA investments. The ACCA regional fund has offered five loans to city processes in four countries, with a financial commitment of US\$ 178,500; this loan facility is being offered to augment the funds available. There are an additional 19 projects in eight countries specifically concentrating on responding to disasters and helping communities to do so effectively; US\$ 481,350 has been budgeted to address these needs.



**BOX 1**  
**What have people built?**

- 126 road-building projects
- 68 drainage projects
- 103 water supply projects
- 30 electricity and street-lighting projects
- 98 toilet-building projects
- 13 bridge-building projects
- 8 solid waste and composting projects
- 10 retaining wall projects
- 46 community centres
- 48 playgrounds and parks
- 1 community market
- 9 rice banks
- 2 clinics and health centres
- 4 children's libraries
- 1 fire protection project
- 4 tree-planting projects
- 5 mosque and temple repair projects

SOURCE: ACCA (2010), *107 Cities in Asia: Second Yearly Report of the Asian Coalition for Community Action Programme*, published by ACHR in both printed and electronic forms and downloadable from the ACHR website at [www.achr.net](http://www.achr.net), 48 pages.

Community assets have been created both physically and financially. In terms of physical assets, Table 1 reports on the aggregated activities and results for the first 15 countries in ACCA up to the end of Year Two (December 2010). Since then, activities in Japan, Malaysia, Bangladesh and Afghanistan have also been initiated. In addition to the projects completed and underway in December 2010, 45 projects had been approved but not yet begun. If these projects are included, once all the projects are finished, an estimated 185,000 households will have benefited. (These figures are higher than those given in Table 1, which are for projects completed and underway but do not include approved projects not yet begun.)

The types of small upgrading projects that communities identified are summarized in Box 1. As is evident, basic services is a key area of activity, with improvements in water, sanitation, drainage, solid waste and electrical services all taking place. The retaining walls are linked to drainage and flood protection. Initially surprising was the investment in roads and bridges; however, community leaders explained how important it was to link their settlements to the city's transport network (although in many cases the means of transportation is walking or cycling). The community centres, parks and playgrounds all offer places for communities to meet. The market and rice bank projects enhance livelihoods and stretch incomes further, while the health centres help to reduce expenditure on health care. Libraries and trees help to create a positive environment, while mosques and temples address spiritual needs.

Individual households benefit from access to the collective consumption goods provided by the small projects and through their involvement in the "big projects", which focus on addressing housing need. As evidenced in Table 1, small projects are particularly effective

in reaching out to households. Despite the small scale of the grants, the gains from small projects are substantive. For example, households benefit from improved access to water (and lower water costs), face reduced risks of flooding, gain more sanitation and better hygiene generally, and find it easier to access work and livelihood opportunities. Greater individual benefits are secured by those households included in the big projects; by the end of Year Two (December 2010), 6,838 households had either received improved housing or were soon to benefit from projects underway. However, ACCA's intent is not simply to address individual need but, rather, to catalyze a changed view of housing interventions. Table 1 shows the increased contribution from the state between the "small project" and "big project" stage of ACCA. The small projects build community capability and also increase the visibility of their collective potential. Community capability is supported both at the neighbourhood level and also, as small projects take place more or less simultaneously in five or more locations, at the city level. The city networks (comprising a number of community organizations) are established and begin to share understanding and develop a strategy to engage the local authority. The small projects, placed in the public eye by the network, attract state interest and enable negotiations between the network and state authorities to take place, which results in a higher level of government contribution. The countries in which this redistribution is particularly significant are those where ACCA was able to build on existing activities, demonstrating the potential influence of this model. In Cambodia, Nepal, the Philippines, Vietnam, Sri Lanka, Thailand and Lao PDR there have been broadly consistent initiatives to support people-led development.<sup>(22)</sup> In Fiji, the government has been exposed to the work in other countries and has, on this basis, responded positively; the challenge for communities is to consolidate this interest with future commitments based on local activities. In India, the group was able to benefit through established government programmes.

The ACCA model believes that the autonomous power of communities is critical to establishing consistent pro-poor urban development. It is only this autonomous power that enables communities to continue to negotiate with the state from a position of strength. To assist communities, ACCA encourages the practice of savings and, by December 2010, 4,600 savings groups were associated with the processes in ACCA cities. This financial capacity combines with the demonstrated impact of small projects to further negotiations for the big projects. In 37 out of the 65 cities with big ACCA projects, the government has provided the land for housing (either for free or on long-term nominal lease or on a rent-to-own basis), and 7,381 poor squatter households have secured land tenure as a result. These 37 cities are in Cambodia, Fiji, India, Indonesia, Lao PDR, Mongolia, Nepal, the Philippines, Sri Lanka, Thailand and Vietnam. While the preferred solutions differ across the region, with some countries preferring leases, others subsidized freehold title and others long-term user rights, there is significant flexibility and a willingness to negotiate. Several communities that completed small ACCA projects in Cambodia, Indonesia, Nepal and Sri Lanka have secured land tenure from the government after implementing small upgrading projects in their communities. In several cities in Cambodia, Indonesia, Nepal, the Philippines, Vietnam, Sri Lanka, Fiji, Thailand and Lao PDR, the local government has provided some infrastructure (such as paved access

22. See [www.achr.net](http://www.achr.net).

**TABLE 2**  
**Big projects completed or underway with financial contributions from different stakeholders**

	Households benefiting	Number of projects	ACCA budget	Community contribution	Government contribution	Contribution from others	Total budget
Cambodia	499	8	320,000	47,700	2,464,625	130,320	2,962,645
Indonesia	698	3	100,000	105,000	1,573,950	1,000,000	2,778,950
Nepal	188	6	217,300	111,571	2,612,734	199,840	3,141,445
Burma	827	4	160,000	10,000	0	0	170,000
Korea	40	1	40,000	0	0	0	40,000
Philippines	1,459	10	390,000	78,026	4,383,435	102,857	4,954,318
Vietnam	160	5	165,000	569,459	4,396,400	0	5,130,859
Sri Lanka	311	7	280,000	192,500	3,981,740	128,655	4,582,895
Mongolia	151	5	150,767	49,947	115,280	32,900	348,894
Fiji	42	1	40,000	5,000	1,900,000	0	1,945,000
Thailand	532	8	180,000	609,569	3,566,746	0	4,356,315
India	23	2	80,000	39,000	9,002,200	0	9,121,200
Lao PDR	66	2	80,000	15,000	1,680,000	0	1,775,000
Pakistan	1,835	1	40,000	20,000	0	0	60,000
China	7	2	64,000	16,000	0	0	80,000
<b>TOTAL</b>	<b>6,838</b>	<b>65</b>	<b>2,307,067</b>	<b>1,868,772</b>	<b>35,677,110</b>	<b>1,594,572</b>	<b>41,447,521</b>

SOURCE: ACCA (2010), *107 Cities in Asia: Second Yearly Report of the Asian Coalition for Community Action Programme*, published by ACHR in both printed and electronic forms and downloadable from the ACHR website at [www.achr.net](http://www.achr.net), page 11.

roads, drains, sewers, electricity and water connections) within the big ACCA projects, and many have provided the communities with technical help, building materials and the loan of heavy construction equipment.

However, both savings capability and big projects have a further direct goal. As the groups begin to consolidate their relationships with the state they seek financial contributions to a city fund – a community development fund to be jointly managed by the network and the government (in most cases the local authority). In seven countries, governments have been willing to extend their commitment to specific big project investment to a more general financial mechanism that can be used to address upgrading needs elsewhere. By December 2010, US\$ 200,000 had been contributed by seven city authorities to local funds operating within their areas of jurisdiction. Although the amounts are currently small, it must be noted that this has been achieved within two years. The challenge is to build relations with the local authorities that increase the scale of these monies and respect the continuing and central involvement of organized communities. The paper by Diane Archer in this issue elaborates on the formation and contribution of these community development funds.

While the processes of ACCA seek to secure government support through a financial contribution, there is great awareness that advances have to take place in two further areas: first, in formalized systems of participatory governance; and second, in the reform of regulations and standards. Many of the negative attitudes of higher-income groups towards the urban poor are grounded in their contraventions of laws, which create a divided city and do little to support improvements.

In terms of participatory government, in 63 out of the total 65 big projects realized by the end of December 2010, there is some form of partnership between communities and the government. The joint city development committees that are being set up are platforms that allow low-income communities to work as equals with their local governments and other urban partners. By December 2010, in 91 cities (out of a total of 107) there was some kind of committee formalizing this city–community partnership. National level collaborative mechanisms are also now working in eight countries (Cambodia, Nepal, Vietnam, Sri Lanka, Mongolia, Fiji, Thailand and Lao PDR). This remains at an initial phase and the challenge is to ensure that the partnerships deliver tangible benefits to those in need. In many of the cities in Cambodia, Indonesia, Nepal, the Philippines, Vietnam, Fiji, India and Lao PDR, the successful implementation of the ACCA big projects has led local governments to initiate or agree to partner with the community networks and their support NGOs to implement subsequent housing projects and to link with other ongoing housing schemes and development projects in their cities.

Another way in which governments contribute is by adjusting existing planning standards to make them more realistic, to lower costs and make it easier for the urban poor to develop housing that matches their needs. This is happening in several cities but the most striking example is in Vinh (Vietnam), where planning standards for redeveloping old social housing have been changed from an expensive, contractor-driven model to a people-driven one as a result of the ACCA project in Cua Nam ward (Box 2). In Lao PDR, the government had never previously given land on a long-term lease to a low-income squatter community, and the two big projects in Lao are the first instances of the government doing this, thus regularizing the people's status on public land they already occupied. This is an important precedent.

## V. THE CONTRIBUTION OF ACCA

As noted above, Asian cities are characterized by a contradiction: there has been an extraordinary transformation in development opportunities in recent decades but acute needs still exist. City residents have witnessed significant inward investments that have turned unwanted land into desirable real estate. The corporatization of state agencies has helped to access infrastructure investment, and roads have been laid, bridges built and pipelines extended. For the urban poor, the results have been mixed. Incomes may have risen and poverty levels fallen but the costs of living have also risen. As significantly, the nature of urban development has changed. Two of the most significant changes can be illustrated by recent studies from India. In terms of the spatial organization of the city, the processes by which the lowest-income households are being pushed out of the inner-city areas that are so critical to their livelihoods have

**BOX 2****City problems and solutions: Vinh (Vietnam)**

Thousands of low-income families living in dilapidated social housing in Vietnamese cities have been pushed out of their homes as their neighbourhoods are redeveloped to make them more "modern" – an example of the processes now taking place in many Asian cities. But the ACCA housing project in Vinh demonstrates an alternative – a powerful, new people-driven redevelopment model that does not result in eviction. As a direct result of this project, the local government has changed its policy on redeveloping the city's run-down collective housing. Previously, when people were evicted the redevelopment was undertaken by contractors and the new units were built to a set of standards beyond the affordability of the former residents. Now, the communities can rebuild their own housing and infrastructure and can secure land title. Costs are lower, people remain in the city and the houses are beautiful.

**Neighbourhoods under threat:** There are about 140 collective workers' housing areas across the city of Vinh, and the 29 low-income families in Cua Nam ward block 6A lived in one such area, where most dwellings measured between 15 and 23 square metres. Due to their poor condition, in 2007 the provincial authority announced plans to redevelop all of these areas. Redevelopment included the demolition of homes and the construction of lower density social housing, with a doubling of the size of the plots and houses, and many families were to be relocated to newly developed housing elsewhere. For both the in situ and relocation developments, the process was to be a conventional top-down, state-planned, contractor-built housing project with no community participation. The people would be expected to pay for land use rights, infrastructure and expensive new houses built to a very high standard.

**A people's solution:** The communities in Vinh started savings schemes in 2006 and rapidly took up the opportunities offered by ACCA. They used the small project budget of US\$ 15,000 to establish a revolving fund for small infrastructure loans, and by December 2009 they had already completed three projects providing 110 households with underground sewers and 40 households with a paved walkway. Total project costs came to almost US\$ 60,000 as the US\$ 9,000 from ACCA leveraged US\$ 11,000 from local government and an additional US\$ 39,000 from community members themselves. The strong savings network developed ambitions for their big project investment (which would also offer loan finance), and they decided to address the needs of a community under threat of eviction because of the city government's modernization plans.

The families in Cua Nam ward wanted to stay together in their neighbourhood. Aware of the fact that they could not afford the redevelopment units, they decided to propose improving their housing themselves. The plans they prepared, with help from the community architects, included widening the lanes, laying drains and rebuilding their small houses in an efficient layout of two-storey row houses on plots measuring 45 square metres, to provide 47 square metres of accommodation. Their old units measured 30 square metres. The provincial minimum standard was 70 square metres but the communities argued that this was unnecessary. They used this redevelopment plan, and the availability of housing loans from ACCA, to negotiate with the city and provincial governments, which finally agreed to the people's proposal. In March 2010 they began construction.

Six months later they had completed the project and this has now set an important new precedent in Vietnam. This is the first case in the country where urban poor people living in collective housing have won the right to design and rebuild their own housing on the same site, with the support of both the municipal and provincial governments. This is also the first instance of a collective housing community receiving permission to build houses that are considerably smaller and hence more affordable than the provincial government's minimum social housing standard. This people's standard has now been officially sanctioned by the municipal government, which has agreed to replicate this model in 140 other dilapidated collective housing areas in Vinh. Five of those projects are now underway.

The city government was persuaded to replicate this experience, in part because of the cost-effectiveness of the development. ACHR staff completed a comparison of Cum Nam ward with a city development in Ben Thuy ward, also in Vinh. In Ben Thuy, the government spent US\$ 1,166 per household on infrastructure, US\$ 141 per square metre of development and US\$ 395 per household to demolish the previous dwellings. Forty per cent of the 114 families in the neighbourhood had to be relocated. In Cum Nam no-one was relocated, the infrastructure costs (installed by the community with technical support) were US\$ 303 per household, the housing costs US\$ 72 per square metre and the demolition costs for each household were US\$ 103.

**BOX 2**  
**(Continued)**

The communities in the 10 ACCA cities in Vietnam work with the national union of ACVN (Associated Cities of Vietnam) to realize their projects. ACVN is now bringing the knowledge generated by this project to their members and to a much larger platform of cities. As other local authorities become aware of this innovation, they realize that there is an alternative to eviction. The communities in Vinh are linked to other savings groups in Vietnam through the national community development fund savings network, which is supported by ACHR, the national Women's Union and the NGO ENDA–Vietnam. As other ACCA networks learnt about this model they too wanted to replicate it, and the communities in Hai Duong, another ACCA city in Vietnam, have already persuaded their local government to allow them to do the same.

SOURCE: ACCA (2010), *107 Cities in Asia: Second Yearly Report of the Asian Coalition for Community Action Programme*, published by ACHR in both printed and electronic forms and downloadable from the ACHR website at [www.achr.net](http://www.achr.net), 48 pages.

23. See reference 9, Harriss (2006); also see reference 9, Fernandes (2004).

24. For a discussion of this in the context of Pakistan, see Hasan, A (2004), "The changing nature of the informal sector in Karachi due to global restructuring and liberalization and its repercussions", in A Roy and N AlSayyad (editors), *Urban Informality: Transnational Perspectives from the Middle East, Latin America and South Asia*, Lexington Books, Maryland, pages 67–78.

25. See reference 9, Fernandes (2004); also Castells, M (2006), "Changer la ville: a rejoinder", *International Journal of Urban and Regional Research* Vol 30, No 1, pages 219–223.

26. Mitlin, D, D Satterthwaite and S Bartlett (2011), *Capital, Capacities and Collaboration: The Multiple Roles of Community Savings in addressing Urban Poverty*, Human Settlements Working Paper 34, IIED, London, 62 pages.

intensified. Cities are increasingly being managed to address the needs of the growing middle-income class, in part in response to the ability of middle-income residents to engage with city government.<sup>(23)</sup> At the same time, there has been increasing commodification related to the emphasis on market liberalization. Discussions of liberalization have frequently focused on globalization and the extent, or not, of free trade and the relative price of domestic and imported goods. However, as significant has been the extension of the market into the provision of basic services, where the rise of the market has been related to the de facto withdrawal and/or reconstruction of state agencies.<sup>(24)</sup> Their reconstruction has been away from the ethos of public services and towards one of market exchange, where income defines entitlement.<sup>(25)</sup> Hence, low-income residents in Asian cities face increasing spatial exclusion, anti-poor political competition and commodification of basic goods and services. How does ACCA respond to these realities?

ACCA's achievements are related to its underlying strategies. Strategically, it supports coalition members regarding two primary interventions that combine to increase their impact on political choices that are being made. First, ACCA seeks to support strong, local neighbourhood organizations, using money to catalyze changes in local social relationships; and second, it seeks to network these organizations to enable them to create a space for sustained negotiations with the state. Considerable emphasis is placed within ACCA on the development of local funds through various modalities, including savings-based organizing.<sup>(26)</sup> While a cursory examination may suggest that this is closely aligned to the integration of the urban poor into financial markets, the reality is more complex. Some of the benefits of ACCA are related to individual savings and loans, but the more substantive processes focus, rather, on strengthening local institutions of reciprocity that are able to make complex responses to the insecurities experienced by many households. However, it may also be valuable to recognize that the development of local level funds offers immediate advantages to low-income households. Savings offers a form of security both in itself (providing inflation remains low and hence does not erode value) and through its ability to ensure access to other forms of physical and financial capital (i.e. productive investments). But for those with little income and few assets, it is unlikely

that sufficient funds can be accumulated to ensure the future well-being of the household.

The more significant contribution of ACCA's local financial processes has been the establishment of funds. Many of the groups completing small projects used their ACCA funds as grant monies. However, the limitations of this approach were understood from the beginning. One conditionality associated with the big projects is that community development funds are established as conduits through which the big project contributions flow, and recipient communities are encouraged to see these as a loan. The subsequent accumulation of money (ACCA funds, savings and sometimes government contributions) develops institutions of reciprocity that provide for multiple forms of localized security (i.e. the ability to raise money for emergencies, the ability to protect and expand assets through collective projects, the ability to negotiate with local authorities and represent their interests) and in so doing enhance well-being.

Reciprocal institutions are important for addressing the needs of low-income households. Security for higher-income families is provided by marketed products, most notably insurance (for life, health, homes and possessions) and pensions. However, these products are unaffordable and/or inaccessible to low-income households. Their earnings are insufficient and their situation (informal work, informal residential status) may exclude them, because they are judged to be high risk by market-based institutions and because of existing legal frameworks. In this context, these individuals and their households face particular vulnerabilities. This is, in part, for reasons related to the labour market, as demonstrated by the financial crisis and the uncertainty of incomes, but there are other sources of vulnerability due to the scale of social disadvantage. As women, they may be vulnerable to domestic violence. As a group of households, they may be vulnerable to abusive community leaders. As groups of households, they may be vulnerable to actions taken by state agencies responsible for regulating aspects of their lives (either as vendors or residents). One of the core institutions that reduces both insecurities and the anxieties related to insecurity is a larger grouping of peers, either to give direct help or to negotiate on behalf of individuals or the group itself. The community groups stimulated by the ACCA process respond to that need; they institutionalize (albeit informally) relations between neighbours, which enables them to share needs, establish priorities, part-finance collective investments and ensure individual accountability within the group.

As groups come together to plan their improvements, they are encouraged to contribute to the project. In some cases, local savings schemes already exist to provide for that possibility; in other cases, these have to be set up to collect the contributions. As they begin to pool their resources, the power of money becomes manifest, not in terms of what it can buy but in terms of the social relations catalyzed to address the challenges of managing a scarce resource collectively. Forming groups around a financial exchange is an immediate challenge that, once overcome, provides a deepening of relationships of trust in caring for a collective asset. It is the very significance of money as a source of individual gain that means that it can also be an instrument of solidarity. What is important in achieving this transformation is a focus on the collective activity, with processes that are inclusive rather than exclusive. The precious nature of money requires that immediate personal

relationships of trust are added to with an agreed set of local procedures for the safeguarding of funds, i.e. locally determined rules that maintain this trust. The discipline of that design and management process accelerates and deepens what might otherwise be a set of casual relationships into a stronger form of institution at the local or neighbourhood level. To sum up, ACCA seeks to create and nurture reciprocal institutions at both the neighbourhood and city level that help to protect households from the vulnerabilities that they experience because of the workings of the market and the state, and that help to achieve activities for mutual gain.

Once established, these institutions provide the basis for many kinds of reciprocal action, not just those related to reduced vulnerability. ACCA's promise of financial support and the sharing of such working practices with other grassroots organizations encourages the creation of these institutions; and this encouragement promotes these behaviours, rewarding the necessarily considerable effort involved. A further benefit, as the projects get underway, is that these community contributions and ACCA's own funds provide for collective investments that reduce household expenditure and enhance incomes.

Money, as used within ACCA, is more than an instrument to create reciprocity; it is also a means to challenge exclusion. The importance given to money is in part because financial value has become (for the most part) synonymous with social value. People with money are treated differently from those without. In its most extreme form, this is manifest in the willingness of the media to pay attention to people who have little of value other than extreme wealth. In its spatial form, it is recognized in the creation of segregated areas and the attitudes that accompany them.<sup>(27)</sup> In terms of income and employment, ambivalence to the informality associated with many urban poor livelihoods is also evident.<sup>(28)</sup> In this context, groups that can demonstrate the ability to accumulate finance can also claim the right to be recognized. Such recognition is important in multiple ways. Most notably in the experience of ACCA, it increases the likelihood of tenure recognition and access to services, and it results in political inclusion as the state is more interested in making deals with those holding financial resources.

As local groups are networked into city level alliances with other low-income communities beyond their immediate neighbourhood, then ACCA provides evidence that the political dynamics in the city begin to change; this is evidenced for the city of Vinh (Vietnam) in Box 2. The embryonic institution is the local group, enhanced in its effectiveness in building relations with more powerful groups by the practice of financial management. Aggregating savings in city level institutions is a further step, taken when communities understand the relationship between a financial commitment and putting in the effort required to make reciprocal institutions work. Once these aggregated savings are in place, then there are potential benefits for local savings groups if they can access additional cash both for material gain and to strengthen their own local institutions. However, the significance of the network at the city level lies less with the way in which it augments these local institutions of reciprocity and more with the creation of an agency able to negotiate with the state. The links between neighbourhood groups are substantively different from those between neighbours. Links between residents of neighbouring settlements are immediate and consistently reinforced. Individuals see ways in which they can help themselves and

27. See reference 20.

28. Porter, L, M Lombard et al. (2011), "Informality, the commons and paradoxes for planning: concepts and debates for informality and planning: self-made cities: ordinary informality? The re-ordering of a Romany neighbourhood; The land formalization process and the peri-urban zone of Dar es Salaam, Tanzania; Street vendors and planning in Indonesian cities; Informal urbanization in the USA: new challenges for theory and practice; Engaging with citizenship and urban struggle through an informality lens", *Planning Theory and Practice* Vol 12, No 1, pages 115–153.



each other as they engage on a daily basis. Activities are generally very flexible and may be responses to immediate crises such as sickness, finding solutions to common problems or planning social events. Links between neighbourhood groups have to be planned, and the areas of collaboration are likely to be more focused on the ways in which this network adds value to the local group. The establishment of community development funds at the city level reflects the political importance of the city in determining access to land tenure and basic services.<sup>(29)</sup> Networks are able to negotiate with these authorities to scale up the resources made available to low-income communities and to change the nature of planned expenditure such that projects are not designed by professionals and imposed on communities. Negotiations for state support are influenced by the demonstrated effectiveness of the small projects. As shown in Table 1, there is a very substantive increase in state resources as communities move from small projects to big projects. This happens as the state recognizes the potential of this process to address its own objectives for informal settlement upgrading. But the Asian experiences referenced at the beginning of this paper also suggest that critical to its maintenance as an effective space for low-income community organizations and their members is the continuing activities of neighbourhood organizations and city networks.

The creation of such spaces for negotiation, within a context where communities have access to their own financial resources and where they want partnership with local government, reflects ACCA's understanding of what is required. As elaborated above, there is awareness that the state has generally been ineffective in its previous engagement with low-income neighbourhoods, their residents and local organizations. In part this reflects the fact that the processes have been controlled by the state itself and have resulted either in clientelist relations or in bureaucratic and ineffective planning.<sup>(30)</sup> Coalition members believe that local grassroots organizations, linked together at the city level, have the capabilities and resources, refined through their project work and city funds, to equip themselves to build a new relationship. Community development funds provide an opportunity, first for negotiation with the state and then for partnerships, and politicians and officials engage because they believe that association with effective communities will bring them rewards, in addition to addressing public needs.

ACCA's new option (introduced in 2011) is to lend money to community development funds that are able to demonstrate capacity for loan management. It is predicted that this further step will both encourage new capabilities and enable networking community organizations to demonstrate to formal financial institutions (both state and commercial) that have previously shown little interest in the urban poor what they can do. At one level, these loans simply increase the financial resources available to community development funds. But they also demonstrate to the networks the potential of loan capital, and build up the practices of repayment to external investors. In the future, it is anticipated that community development funds will access both private sector and state capital – working out ways in which the flows of external capital can be blended with local institutions that nurture reciprocity such that the needs of the urban poor are addressed while vulnerabilities are not increased.

29. See the paper by Diane Archer in this issue of the Journal.

30. Scott, J (1998), *Seeing It Like a State: How certain Schemes to Improve the Human Condition have Failed*, Yale University Press, New Haven, 464 pages; also Wood, G (2003), "Staying secure, staying poor: the 'Faustian bargain'", *World Development* Vol 31, No 3, pages 455–471.

## VI. CONCLUSIONS

31. See reference 12, page 1119.

In his seminal paper on state and society synergies, Evans asks whether synergy can be constructed.<sup>(31)</sup> In this case, the question is answered in the affirmative. There is an evident complementarity of actions to improve local neighbourhoods with the state being appreciative of self-help. In this case, unlike the examples discussed by Evans, progressive urban development, including the strengthening of local organizations and hence social capital, is not a result of state action but emerges from the civil society process itself. Just as the civil society endowment in local communities is strengthened through local projects, so the links with other communities, networks in other cities and engagements with local government are also created. As illustrated above, relations at multiple levels and of multiple forms are created. In this case, unlike the cases discussed by Evans, the missing link is not “...a competent, engaged set of public institutions”;<sup>(32)</sup> rather, organized civil society itself is providing a framework for public institutions to become engaged (and arguably improve their performance). The breadth of state participation across cities and countries suggests it is the process rather than the local context that is responsible for the engagement (Table 2).

32. See reference 12, page 1125.

Hence ACCA experiences show that the state is open to innovation and relationship building. While a primary emphasis on the actions of public institutions and the polity remains relevant, these experiences suggest that political reform is not limited to existing political agents. Rather, ACCA is experimenting with new strategies to find a previously unrealized freedom for the urban poor in Asia. It offers the communities in low-income settlements a chance to make change – both in the immediacy of struggles for basic needs and the attainment of infrastructure improvements, and in structural issues of exclusion from access to secure tenure and shelter. As citizens demonstrate achievements, they gain the confidence to claim legitimacy and citizenship. Informal settlements become recognized for the productive potential they offer; and their residents have a chance to consolidate and accumulate the assets that they need. Such changes cannot be achieved without means, and the ACCA process builds an alternative financial system based on community savings and loans that, together with state contributions, provides the resources for development by low-income communities at the citywide scale.

Two years of ACCA have shown how simple it is to catalyze a change process at a significant scale in Asian cities by urban community organizations with local authorities and urban development partners. The programme offers a new approach to urban poverty reduction, but its concept goes beyond that. ACCA explores, and then tries to define and realize, a new financial system for development. The new concept is one of letting the urban poor themselves – the demand side – be the key agents in solving their problems together, supported by development organizations and local government. This new finance system is friendlier and more accessible for low-income and disadvantaged communities, providing multiple windows for their various development needs. The new form of collaboration between city government and people enables both groups to work as a team. The consequence is that the urban poor can be recognized as a legitimate and productive agent for urban development. However, despite having reached considerable scale, the activities remain almost irrelevant when compared to the numbers in need. The challenge now is to learn from these experiences, and to change the global and national financial systems so that they can support the efforts of the people to address their needs at the scale that is required.

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