

# COMMUNITY PARTICIPATION AND SOCIAL CAPITAL FORMATION IN SLUM UPGRADING STRATEGIES

## A Case Study in Timor-Leste

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### 1. INTRODUCTION

In the last 60 years, the world population has increased from 2.5 to 6.9 billion, 63% of this gain was in urban areas. One third of the people in developing countries are already living in overcrowded and poorly serviced slums, and facing huge obstacles to obtain formal-sector jobs because of their lack of social capital, education, patronage, empowerment, and their general exclusion from regular society. Not only population explosion and demographic changes but also failures of housing policies, laws, and delivery systems originate slums.

Slums are no longer seen as places of filthy and crime, but as the places of potential for a city's economic and social development. This study tries to find out what would be the key elements for a slum upgrading strategy to succeed in enabling real potential for development, arguing that it relies on high levels of community participation and, more importantly, on specific kinds of social capital. The World Bank defines social capital as the institutions, relationships, attitudes, and values that govern interactions among people and contribute to economic and social development. In this context, the study compares two projects implemented by the United Nations in the capital city of Timor-Leste (East Timor), Dili, which comprises 60% of the urban population that counts approximately 30% of the total.

### 2. OBJECTIVES AND METHODOLOGY

Objectives of this study:

- Find out key elements of a slum-upgrading strategy to promote real potential for socioeconomic growth further than only solving immediate needs;
- Demonstrate the importance of social capital for political stability and socio-economic development;
- Outline recommendations for future practices.

This study first briefly introduces Timor-Leste and its traditional

sociopolitical structure in a democratic transition. Then, it describes and compares two slum upgrading strategies implemented in Dili based on the positive results detected in the 2005 project, and the constraints faced by the latter, regarding their ability to promote community participation, and forming social capital, considering the different contexts in which they were implemented. This study is based on the experience of the author in the UNDP Project from January to September 2010, visits to the UN-HABITAT's pilot-projects as an intern in October 2009, project reports, literature review, and extracts from interviews to key persons involved in the design and implementation of both strategies.

### 3. OUTLINE OF TIMOR-LESTE

#### 3.1 Recent Facts

After declaring independence from Portugal in 1975, Timor-Leste (Fig. 1) was occupied by Indonesia for almost twenty-five years. Following the 1999 referendum that resulted in independence from Indonesia, anti-independence militias destroyed much of the local housing and infrastructure. The destruction displaced around two thirds of the population and up to 70% of the buildings in Dili (Fig. 2) were burnt and despoiled<sup>1)</sup>. In late April 2006, a civil unrest and following rounds of violence in 2007 resulted in more than 150.000 Internal Displaced Persons (IDPs), half seeking refuge within the capital, mainly in public buildings and camps (Fig. 3). The riots resulted in serious social segregation in some areas and had a strong negative impact on the stock of social capital, as many people never returned to their homes, resettling in new locations. In December 2007 the government launched the National Recovery Strategy to overcome the 2006 crisis. In February 2008, a rebel group unsuccessfully attacked the president and the prime minister. Timor-Leste's economy, the youngest



Fig. 1 Timor-Leste - Districts

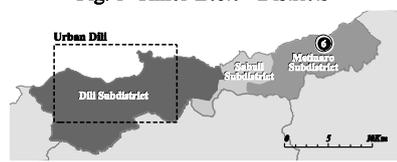


Fig. 2 Dili - Subdistricts

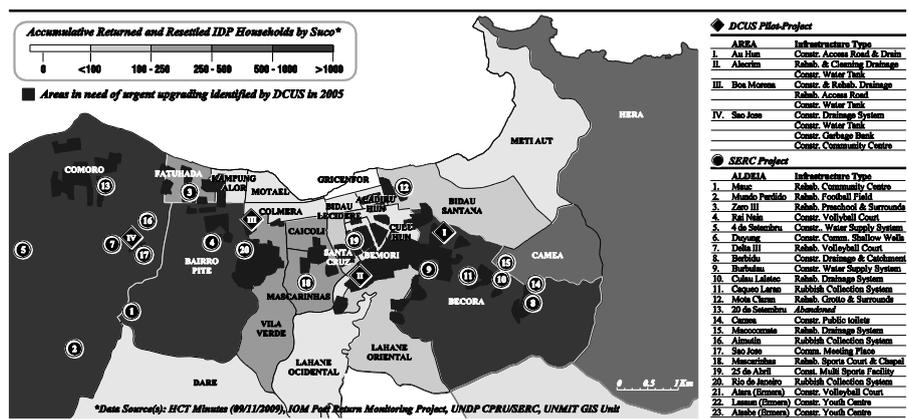


Fig. 3 Urban Dili - Sucos and Location of Projects

and one of the poorest countries in Asia, continues to recover still facing enormous challenges in reconstructing its physical infrastructure, strengthening the civil administration, generating jobs for young people, and building social cohesion.

### 3.2 Dili City

Timor-Leste's population grows at a fast rate, particularly in Dili (Tables 1 and 2). According to the Ministry of Planning and Finance's 2005 Sector Investment Program, 82% of houses do not have 24-hour access to clean water, and 24% do not have toilets in urban Dili. In the same year, UN-HABITAT assessed Dili as a citywide scale slum in need of upgrading, situation aggravated even further by the 2006 crisis when houses and public buildings were burnt, infrastructure destroyed, and a huge number of IDPs emerged.

The Government calls for related ministries to facilitate the improvement of spontaneous housing settlements through planning, design, and implementation of community small infrastructure through community participation approaches.

### 3.3 Social Structure at the Local Level

Timor-Leste comprises 13 districts, and within these 65 sub-districts, 443 *sucos* (hamlets) and 2,336 *aldeias* (wards). *Sucos* and *aldeias* represent an expression of traditional local power although do not form any part of Government institution. Although their exact roles are still unclear, the *suco* chiefs and the *aldeia* chiefs altogether with group representatives, all democratically elected since 2004, lead community activities, and assist in the provision of services to meet basic needs. The democratic transition from an almost feudal system into a democracy is very sensitive and demands full consideration to prevent social exclusion and risk of fuelling or starting new conflicts.

It is very difficult to identify the *aldeias*'s boundaries, particularly in urbanizing Dili. There are no official documents because borders are constantly changing due to movement of some of the households. '*Aldeia*' refers originally to clusters of households headed by men related by a common ancestor, which cooperate with one another, and share some resources such as land. Reminiscences of such system support formation of intra-community ties but at the same time impact negatively on intercommunity relations.

**Table 1 Population, Growth, Share (2004 - 2010)**

District	Population		Annual Growth (%)		Percent Share	
	2004	2010	2004-2010	2004	2010	
Aileu	37,967	45,512	3.02	4.11	4.27	
Ainaro	52,480	59,382	2.06	5.68	5.57	
Bauco	100,748	111,484	1.69	10.91	10.45	
Bobonaro	83,579	89,787	1.19	9.05	8.42	
Covalima	53,063	60,063	2.07	5.75	5.63	
Dili	175,720	234,531	4.80	19.83	21.97	
Ermera	103,322	114,635	1.73	11.19	10.75	
Lautem	56,293	60,218	1.12	6.10	5.65	
Liquica	54,973	63,329	2.36	5.95	5.94	
Maliana	36,897	43,245	2.65	4.00	4.05	
Maukehi	45,081	48,894	1.35	4.88	4.58	
Oecusse	37,616	65,524	2.14	6.24	6.14	
Viqueque	65,449	70,177	1.16	7.09	6.58	
<b>Total</b>	<b>923,198</b>	<b>1,066,582</b>	<b>2.41</b>	<b>108.00</b>	<b>108.00</b>	

Table Source: Population and Housing Census 2010 Preliminary results, National Statistics Directorate

**Table 2 Population Trend (1980 - 2010)**

	1980	1990	2001	2004	2010
Pop. Size	555,350	747,557	787,240	923,198	1,066,582
Pop. Change	-	192,207	39,783	135,853	143,384
Annual Increase	-	19,220.7	5,616	45,286	23,897.5
Pop. Increase (%)	-	34.6	5.3	17.3	15.5
Annual Growth	-	2.97	0.47	3.2	2.41

Table Source: Population and Housing Census 2010 Preliminary results, National Statistics Directorate

**Table 3 DCUS and SERC Project Facts**

	DCUS	SERC
Implementing Agency	UN-HABITAT	UNDP
Implementation Year	2004-05 (pre-slum)	Mid-2009 - Early 2011
Communities Location	Dili	DRE-24 - Ermera-6
No. Targeted Communities	98 (slum)	30
No. Reached Communities	4 (pre-slum)	DRE-19, Ermera-3 (pre-2011)
No./Type of Infrastructures	10 / see Figure 2	22 / see Figure 2
Community Centers	2 (pre-slum)	3 (13.7%)
Average Cost (US\$) (pre-slum)	7,500 (pre-slum) / 45,800 (slum)	23,000
Implemented Under	Min. of Public Works	Min. of Social Solidarity
Funds Source	China Alliance Programme	UNDP, AUSAID

## 4. TWO SLUM UPGRADING CASE STUDIES (Table 3)

### 4.1 Introduction

Slums are a physical manifestation of urban poverty and their upgrading should be only part of a broader urban poverty reduction strategy that address the various dimensions of poverty, including employment and incomes, food, health and education, shelter and basic urban infrastructure and services<sup>2)</sup>.

### 4.2 Dili City Upgrading Strategy (DCUS)

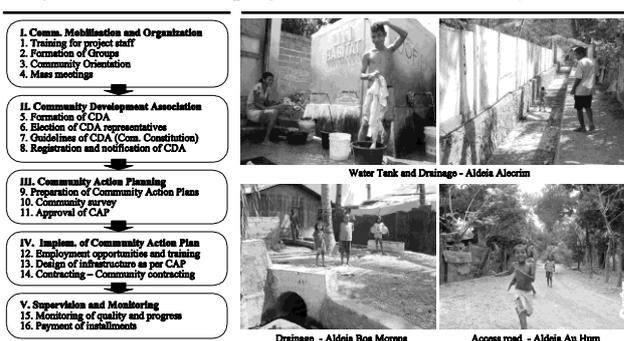
DCUS was implemented in 2005 by UN-HABITAT. Informal settlements were found spread throughout the city with no areas of concentrated poverty thus, the strategy considered the whole city as a slum. Four areas were selected for the implementation of pilot-projects. People were put at the centre of decision-making and action for integrating communities and building social cohesion and the government acted as supporter rather than a provider. Mobilization was the key approach to raise awareness in the community of its responsibilities and to make decisions to overcome their own problems (Fig. 4). Such approach provides feelings of achievement, pride, and security, elevating people to another level of the socio-economic ladder.

Visit and observations extracted from the interviews conducted to dwellers and former Community Development Association (CDA) members showed that positive results are still observable in three areas (Fig. 5). The facilities have been well maintained and the easiness in tracking down former CDA members by asking local residents, suggest that the social structure established in 2005 somehow still remains. After the implementation of the pilot-projects, the DCUS management body was incorporated into the Ministry of Public Works (Fig. 6) to follow up the strategy on a larger scale, but it was impeded by the 2006 crisis and subsequent changes.

DCUS reported resistance among Timorese to work together with those with whom they have no blood relation, showing a poor stock of bridging social capital.

### 4.3 Strengthening Early Recovery for Comprehensive and Sustainable Reintegration of IDPs (SERC)

The United Nations Development Programme (UNDP) is one of the 27 UN agencies, funds, and programs working in Timor-Leste in rehabilitation and reconstruction. The SERC Project is an UNDP program within the Ministry of Social



**Fig. 4 DCUS Flowchart**



**Fig. 5 DCUS Small Infrastructures**

Solidarity and it started being implemented in July 2009 (Fig. 7 and 8). The project aims to address the lack of social cohesion and basic community small infrastructures, providing assistance to returning IDPs and receiving communities (Fig. 9) in the most conflict-prone areas identified mainly in Dili, to reduce conflicts and tensions.

In a country in great need of rebuilding its infrastructure, and with very low levels of social capital resulting from the 2006 crisis, the SERC Project can be considered successful as it is managing to implement physical improvements ranging from basic infrastructure to community facilities (Fig. 10).

However, the same technical ability discourages community participation, and the project overall design has limited potential for forming social capital. Awareness that a technical team manages the key steps in the process, resulted in functional participation and relatively complex small infrastructures. Meetings gathered mainly people somehow already connected to *aldeia*'s chief and representatives resulting in limited numbers of participants and little discussions over community priority needs.

Such context led to some problems such as in *Aldeia Rai Nain* where, SERC built a sports court on land subject of dispute between community members, relying on the community consultations. Similar situation happened in *Aldeia Mota Claran*, but the problem was detected earlier. The target area *Aldeia 20 de Setembro* was abandoned because of risks of new conflicts caused by disputes between the *aldeia* chief and the oppositionist group regarding community priority needs.

## 5. COMPARATIVE ANALYSIS

### 5.1 What is Participation?

There is no consensus in what 'participation' actually implies. It has been incorporated in the mainstream development discourse and appears as a mandatory approach, and on the other hand, participation has been crowned as 'the new tyranny'. The term has been used in three ways: as a cosmetic label, to make whatever is proposed appears good for donors and governments; to describe a co-opting practice to mobilize local labor and reduce costs; an empowering process that enables local people to do their own analysis, take command, gain in confidence, and make their own decisions<sup>3</sup>.

### 5.2 Participation in SERC and DCUS (Table 4)

DCUS' primary groups are more inclusive, allowing minorities to be involved and represented in the broader community meetings. It identifies a community as a group of people living in a neighborhood sharing the same problems, whereas the SERC identifies community matching existing *aldeias* whose existing sociopolitical structure ends up leading the community in the process, what potentially excludes some groups. In SERC, the discussion of community needs is influenced by the engineering team, who from that point practically leads the process. Moreover, the community is encouraged to ask for complicated infrastructures, which undermines even more people's participation and makes difficult to implement them using community contracts. In DCUS, because community is in charge of most of the implementation process, they make plans by looking for simpler solutions. The PSTWG Approval phase in SERC reduces the community's confidence in their role in the decision-making. In SERC, obstacles in forming a management committee for the facility were observed in a number of cases. On the other hand, a strong sense of ownership was observed in the DCUS's pilot-projects.

Kumar's Spectrum of Participation<sup>4</sup> (Fig. 11) evaluates community's influence and share control over priority setting, planning, resource allocations, and program implementation. DCUS enables Interactive Participation, as people are put in the center of the decision-making and action, taking control over local decisions, whilst the SERC Project enables only Functional Participation, because the community is dependent on external support with limited decision-making.

### 5.3 Social Capital

Societies can be rich in social capital within groups, which helps their members, but still experience poverty, corruption, and conflict; cross-cutting ties between groups open up economic opportunities to those belonging to less powerful or excluded groups. Putnam<sup>5</sup> identifies two kinds of social capital, a) Bonding social capital - or intra-community ties, refers to strong social connections based on religion, ethnicity, socioeconomic status, gender, etc, and are organized through civic groups and associations. Ties that maintain groups isolated are perverse social capital, e.g., ethnicity exclusion; b) Bridging

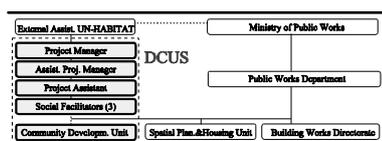


Fig. 6 DCUS Organogram

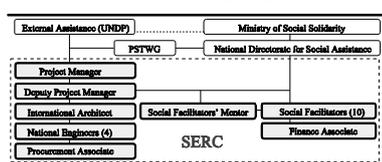


Fig. 7 SERC Project Organogram

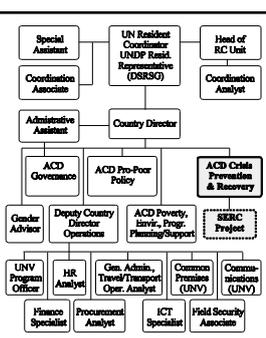


Fig. 8 UNDP Organogram

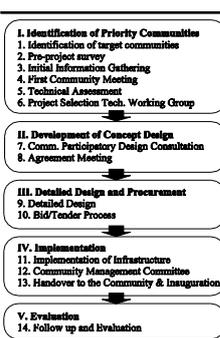


Fig. 9 SERC Flowchart



Fig. 10 SERC Implementation Process

social capital - or intercommunity, cross-cutting ties, refers to networks characterized by heterogeneity of membership, or ties that cut across any characteristic that distinguishes social groups, e.g. ethnic, gender, class, wealth, location, etc. Bridges are central to undermine the negative aspects of intra-community ties by promoting positive contact between social groups.

Woolcock & Narayan<sup>6)</sup> introduce another approach of social capital. The ‘Institutional View’ argues that the capacity of social groups to act in their collective interests depends on the quality of the formal institutions under which they reside. The ‘Synergy View’ claims that complementary between state, firms, and communities is needed to promote broad-based, sustainable development, with the state playing the most important role.

A well functioning state should support and can be strengthened from cross-cutting ties, in an interdependent virtuous circle. In societies with good governance and high levels of bridging social capital, economic prosperity and social order are likely. Narayan’s<sup>7)</sup> analytical framework helps to elucidate the Timor-Leste’s context in 2006 that culminate in its crisis (Fig. 12). The move from ‘conflict’ to ‘socioeconomic well-being’ must include participatory processes, mechanisms for power sharing, consultation, justice, governance, and provisions for the security of all, as well as the equitable distribution of resources among former enemy groups.

#### 5.4 Social Capital in SERC and DCUS

Initially it must be acknowledged that SERC and DCUS were designed and implemented in different contexts. SERC was designed in a context of severe social disintegration and a rebuilding state, focusing on strengthening government mechanisms to build social integration and provisions for basic infrastructure needs, while DCUS could concentrated all project efforts on raising social capital. Therefore, DCUS comprises favorable points in terms of forming bridging social capital.

Firstly, by not clearly delimiting target communities according to *aldeia*’s social structure and boundaries, there were better chances for forming cross-cutting ties to undermine the negative aspects of intra-community ties. Recognizing the newly elected local representatives is an important mechanism to support the strengthening of a better functioning state, but on the other hand, as the local democracy is still in middle of the consolidating process, recognizing such leadership may

empower individuals that represent the interests of small groups, particularly at the *aldeia* level. Identifying target communities and CDAs according to households directly affected by a problem, presence of IDPs for instance, rather than using *aldeia*’s boundaries and socio-political structure – although they can overlap in some cases – facilitates the establishment of inter-community CDAs, and in addition reinforces the democratization process. Secondly, DCUS’s primary group promotes bonding social capital within itself, and enables the involvement of groups that otherwise probably would not be represented in broader meeting discussions, enabling bridges. Finally, the official recognition of CDAs creates an additional mechanism of communication between community and government, which is a forum to promote social capital according to the Synergy View.

#### 6. CONCLUSION

The word ‘participation’ has been widely used in development strategies but it should describe only an empowering process that enables local people to self-mobilize, analyze and takes command over their own decisions. A large stock of bridging social capital and a context of good governance are key elements to enable real potential for a community to achieve sustainable socioeconomic development. Cross-cutting ties and a well-functioning state are complementary in a virtuous circle, and need to be strengthened simultaneously.

In the democratic transition context of Timor-Leste, a slum upgrading strategy should not necessarily define and organize communities by matching with an existing local socio-political structure. Rather than forming an engineering team, a slum upgrading strategy should focus on training large numbers of social mobilisers to facilitate community initiatives and hiring local technical consultants only when it is needed. Governmental recognition of CDAs is very important because it creates an additional layer of intermediaries to the existing political structure, enhancing chances for complementary relations.

Finally, it is critical to develop an ‘enabling’ state that mobilizes the resources of other actors by establishing legislative, institutional, and financial frameworks that support access to affordable technology, finance and secure tenure for low-income households<sup>8)</sup>.

Table 4 DCUS and SERC - Participation

STAGE	DCUS	SERC
Planning	Community	Supported by SERC
Feasibility Assessment	Facilitated by UN-HABITAT	SERC Engineering Team (ET)
Approval	Community	PSTWG
Design	Facilitated by UN-HABITAT	SERC ET with community inputs
Procurement	Community	UNDP
Physical Works	Com. Contract/Private Companies	Private Companies/Com. Contract
Works Supervision	Community	SERC ET
Subst. Maintenance	Community	Community

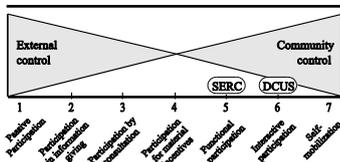


Fig. 11 Spectrum of Participation

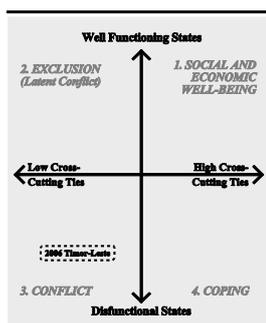


Fig. 12 Narayan’s Framework

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