“Land Sharing in Phnom Penh and Bangkok: Lessons from Four Decades of Innovative Slum Redevelopment Projects in Two Southeast Asian ‘Boom Towns’”

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Abstract: In 2003 Cambodian authorities launched four pilot slum upgrading projects in the capital city of Phnom Penh using the technique of “land sharing.” The projects aimed to attract private development on lands occupied by slum dwellers, and to move the slum dwellers into new housing on site using cross-subsidies from commercial development. This paper identifies the inadequate institutional support structure for land sharing in Phnom Penh as the main reason why these projects had only very limited success as slum upgrading instruments. It contrasts this with the more successful land sharing experience in Bangkok during the 1970s and 1980s.

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1. **Announcing Four Land Sharing Pilot Projects**

In 2003 public authorities in Cambodia introduced an innovative model of urban redevelopment and slum upgrading through the technique of “land sharing.” The Council of Ministers identified four pilot projects in the center of the capital city of Phnom Penh—with a combined population estimated at 17,348—where slum residents would be re-housed on site in new housing which they would obtain for free, as part of the government’s “social land concession principles.” The new housing was to be financed entirely by private developers in the form of cross-subsidies from commercial development on another portion of the same site.

The land sharing projects appeared to represent an historic breakthrough for the poor in Phnom Penh. Ever since the late 1980s, when the city experienced a renaissance following decades of war, civil unrest and the reinstatement of a market economy, the urban poor were the target of frequent and often violent evictions instigated by the Municipality and private developers. The former had pursued eviction in the name of city beautification campaigns, while the latter attempted to gain access to valuable city center real estate occupied by the urban poor. Between 1990 and 2003 an estimated 61,500 people were banished to empty fields in the urban periphery where they lacked basic services and livelihood opportunities (COHRE, BABSEA and Licadho, 5). Increased land development threatened the homes and livelihoods of hundreds of thousands more people living in the city’s urban poor settlements. In this context, land sharing seemed to offer a compromise solution that appealed to public authorities, commercial developers and slum dwellers alike.

2. **The Bangkok Model**

The inspiration for the land sharing pilot projects in Phnom Penh came from Bangkok, Thailand. During the 1970s and 1980s slum dwellers in Bangkok had been waging their own
“battle for living space” with developers, against a backdrop of rapid economic growth characterized by extremely dynamic urban land and real estate markets. Seven land sharing agreements were concluded that were universally praised as models for urban redevelopment, given that they managed to accommodate commercial development without displacing resident slum dwellers.³

More than a decade later, the Thailand-based Asian Coalition for Housing Rights (ACHR) and fellow members of the international housing rights network Slum/Shack Dwellers International sought to introduce Bangkok-style land sharing in Phnom Penh. During the 1990s and early 2000s ACHR, other NGOs and donor agencies worked to introduce a new discourse of respect for the rights of the urban poor through advocacy aimed at the Municipality of Phnom Penh as well as district and commune authorities. These efforts appeared to bear fruit when in May 2003 Prime Minister Hun Sen of Cambodia announced a groundbreaking slum upgrading campaign in Phnom Penh. The Royal Government of Cambodia committed itself to improve, on site, approximately 500 city slums in five years. The Government identified the land sharing schemes as pilots of the new city-wide upgrading campaign.

But in spite of the high expectations, the land sharing experiments had very different outcomes in Bangkok and Phnom Penh. By early 2009 it became clear that, with only one partial exception, land sharing in Phnom Penh had failed. This paper investigates two questions. First, what were the main reasons for the failure of the land sharing initiatives in Phnom Penh between 2003 and 2009? And second, what are the lessons of the pilot projects in Phnom Penh for land sharing and private sector led slum redevelopment in fast-growing developing country cities?
3. **Six Preconditions of Successful Land Sharing**

The significance of land sharing lies in its core objective to accommodate commercial development on lands occupied by slum dwellers, without evicting existing land occupants who have the right to remain on site. This is achieved by agreeing to divide ("share") a plot of disputed land, so that a developer is given the right to build on one portion of the site and land occupants are re-housed on another portion of the same site, with a promise of secure tenure on their new plots or in their new housing. Each land sharing agreement is based on unique, site-specific technical considerations and financing mechanisms, but in all cases the main attraction of land sharing for public authorities is that it may be the “only way in which the urban poor can gain formal access to land and security of tenure within a city without a substantial subsidy” (Yap, 66).

For land sharing to be seriously considered as an urban redevelopment instrument, the major stakeholders in a land conflict have to agree to come to a compromise solution. Typically, six preconditions need to be in place for land occupants, one the one hand, and landowners and developers, on the other, to have an incentive to come to the table and negotiate an end to a land dispute and sign a land sharing agreement (Rabé 2005, 4-6).

1. **Booming property market.** During periods of economic boom, commercial development pressure increases on well-located lands. While evictions of land occupants typically tend to go up when land values rise, a booming land market may also push landowners to make concessions with occupants on developable land—provided that a compromise will enable them to develop right away on a portion of the desired land. Usually, landowners become amenable to compromise once alternative ways to remove land occupants (both legal and illegal) from the land have
been exhausted. At the same time, development pressure can also spur land occupants to seek compromise to avoid eviction.

2. **Well-established communities:** The longer a community has been established on a disputed site, the greater will be its bargaining power vis-à-vis the landowner and developers. This may be because of legal rights acquired over time, or because of less tangible factors, such as increased political connections or alliances built up by residents over the years.

3. **Community organization and consensus.** A strong and cohesive community can often resist eviction by presenting a more unified front to the landowner during negotiations. Conversely, a weak and fragmented community may encourage landowners or developers to exploit differences among residents and attempt to buy off certain members, until those resisting eviction are outvoted or otherwise out-maneuvered. Frequently, community strength will be increased through alliances with people’s organizations, non-governmental organizations, human rights groups, political parties, and other types of organizations which may give the slum dwellers’ cause more visibility.

4. **Third party intermediation.** The intermediation of an outside organization with an interest in an amicable and just outcome to the land conflict is often a critical prerequisite of a successful land sharing agreement. Such an intermediary is usually a public agency with some political clout. This agency must broker a compromise that is technically and financially sound, while also adequately meeting the interests of all parties. The intermediary must also ensure that the agreement is enforced on all sides.
5. **Physical/technical feasibility.** A land area that is to be shared must be sufficiently large to accommodate safely, and in compliance with local regulations, the juxtaposition of residential and commercial land uses. The new configuration of the shared land area must be commercially interesting to developers, while at the same time attractive enough for the re-housed residents. Sometimes, local regulations must be adapted to accommodate new forms and densities of community housing. In some cases, not all residents can be accommodated in the new land sharing configuration. In those situations, the community must be able to agree on who leaves and who can stay—and what the criteria are in each case.

6. **Financial feasibility.** Finally, each land sharing deal has a unique financial arrangement, depending on affordability and priorities of residents and developers, and the physical features of the site. A land sharing agreement is financially viable if residents can afford the new housing and titles, the developer and landowner benefit from the arrangement, and where relevant, the amount of public subsidy is not excessive.


The original Bangkok land sharing cases succeeded in resolving seven long-simmering land disputes between land occupants and landowners in central areas of Bangkok by re-housing almost 10,000 low income families on the same sites they were occupying. While the seven settlements and their land sharing arrangements were diverse, they shared a number of key characteristics. First, all but one of the original settlements was located on public land. Second, the land sharing arrangements were concluded with the intermediation of local and international housing professionals, a wide range of civil society actors, as well as public authorities,
including (in five cases) the National Housing Authority and (in two cases) high-ranking military officials. Third, in all cases, slum dwellers had financed a portion of the cost of their new land and housing themselves, through loan schemes. Table 1 summarizes key information pertaining to the seven cases in Bangkok and their land sharing outcomes.

Table 1: Overview of Seven Original Land Sharing Settlements in Bangkok

<table>
<thead>
<tr>
<th>Name of Settlement</th>
<th>Number of families</th>
<th>Total area before land sharing (ha.)</th>
<th>Landowner before land sharing</th>
<th>Negotiation period</th>
<th>Intermediary organization</th>
<th>Summary of outcome for slum dwellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rama-4</td>
<td>1,250</td>
<td>8.5</td>
<td>CPB lease to developer</td>
<td>1977-1981</td>
<td>NHA, Treasury Department</td>
<td>2.4 ha. reserved to re-house residents; 850 high-rise units leased to community by CPB on 20-year leases</td>
</tr>
<tr>
<td>Manangkasila</td>
<td>500</td>
<td>1.6</td>
<td>Treasury Department lease to developer</td>
<td>1979-1982</td>
<td>None</td>
<td>0.87 ha. leased to 198 remaining families</td>
</tr>
<tr>
<td>Wat Lad Bua Kaw</td>
<td>63</td>
<td>1.6</td>
<td>Private landowners lease to developer</td>
<td>1978-1983</td>
<td>NHA, BMA, Military</td>
<td>0.32 ha. sold to 67 remaining families</td>
</tr>
<tr>
<td>Klong Toey Area-3</td>
<td>7,500</td>
<td>69</td>
<td>PAT</td>
<td>1982-1985</td>
<td>NHA, Military</td>
<td>11.5 ha. sub-leased to 1200 families for 20 years, via NHA</td>
</tr>
<tr>
<td>Sengki</td>
<td>143</td>
<td>1.1</td>
<td>KPB</td>
<td>1984-1987</td>
<td>NHA</td>
<td>Housing co-operative purchased 0.60 ha for all families, with loans from KPB</td>
</tr>
<tr>
<td>Sam Yod</td>
<td>30+</td>
<td>0.95</td>
<td>CPB</td>
<td>1982-1989</td>
<td>NHA</td>
<td>0.65 ha. sub-leased to 200 families (including newcomers), via NHA</td>
</tr>
<tr>
<td>Klong Pai Sing To</td>
<td>350</td>
<td>n/a</td>
<td>CPB</td>
<td>1989-1997</td>
<td>None</td>
<td>All families relocated to two high-rise buildings owned by CPB</td>
</tr>
</tbody>
</table>

Abbreviations: BMA = Bangkok Metropolitan Authority; CPB = Crown Property Bureau; KPB = King’s Property Bureau; NHA = National Housing Authority; PAT = Port Authority of Thailand; ha. = Hectare

In contrast to Bangkok, the land sharing pilot projects in Phnom Penh were all designed to be financed through cross-subsidies from commercial development, with housing allocated for free to beneficiaries as part of the Royal Government’s social land concession policy.

The four settlements of Borei Keila, Dey Krahom, Railway A and Railway B were selected as land sharing pilots precisely because they were considered to be the most likely candidates to attract private developer financing, given their prime city center locations. Table 2 provides an overview of the land sharing arrangements in Phnom Penh.

<table>
<thead>
<tr>
<th>Name of Settlement</th>
<th>Number of families</th>
<th>Total area (ha.)</th>
<th>Landowner before land sharing</th>
<th>Negotiation period</th>
<th>Intermediary organization</th>
<th>Summary of outcome for slum dwellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borei Keila</td>
<td>1,776</td>
<td>14.1</td>
<td>MoEYS*</td>
<td>2003-2004</td>
<td>MPP</td>
<td>2 ha. reserved to re-house residents in 10 apartment blocks; developer received 2.6 ha. for commercial development and later bought remaining portion of land</td>
</tr>
<tr>
<td>Dey Krahom</td>
<td>1,465</td>
<td>4.7</td>
<td>MPP*</td>
<td>2003-2005</td>
<td>None</td>
<td>Planned relocation of all residents, after unsuccessful land sharing negotiation</td>
</tr>
<tr>
<td>Railway A (Santipheap)</td>
<td>70</td>
<td>1.3</td>
<td>State Railway Co. lease to developer*</td>
<td>2003-2008</td>
<td>None</td>
<td>Individual relocation of residents, after unsuccessful land sharing negotiation</td>
</tr>
<tr>
<td>Railway B (Roteh Pleung B)</td>
<td>255</td>
<td>10</td>
<td>State Railway Co. lease to developer*</td>
<td>2003-2008</td>
<td>None</td>
<td>Individual relocation of residents, after unsuccessful land sharing negotiation</td>
</tr>
</tbody>
</table>

*Landowner status in all four settlements was disputed. Long-term residents claimed legal possession of their properties according to the 2001 Land Law. The MoEYS claimed ownership of the land in the case of Borei Keila; the MPP claimed ownership of the land in the case of Dey Krahom; and in the case of the two Railway settlements, the developer claimed legal use of the property leased from the State Railway Company.

Abbreviations: MoEYS = Ministry of Education, Youth and Sports; MPP = Municipality of Phnom Penh; ha. = Hectare
6. **The Case of Borei Keila**

The *Borei Keila* complex was at one time inaugurated as an athletes’ village by Prince Norodom Sihanouk in 1966 for the “Games of the New Economic Forces” of the non-aligned countries. The original site included eight three-storey apartment blocks and administrative buildings, set in a landscaped, park-like environment. After the fall of the Khmers Rouges regime in 1979 the complex was taken over by the Ministry of Interior, which used the apartment buildings to house staff of the National Police Training Academy. After 1991, with the repatriation of Cambodian refugees from the Thai border camps, hundreds more families moved to *Borei Keila*; some of these new migrants were relatives of police officers, but many others were simply attracted to the area by its central location. The former athletes’ village became one of the most populous and conspicuous slum areas in central Phnom Penh, with almost every square meter of the landscaped grounds occupied by shacks. The authorities claimed that the site belonged to the Ministry of Education, Youth and Sports, but a majority of residents could legitimately claim possession rights to their properties as they met the five criteria of lawful possession outlined in Cambodia’s Land Law 2001⁴.

Repeated efforts to evict the settlement’s residents during the 1990s and early 2000s, whether through intimidation tactics or by force, had failed, so *Borei Keila* became a prime candidate for the first land sharing compromise in Phnom Penh. The Municipality faced no difficulty to interest private developers to redevelop the site for commercial use. In 2003 the government accepted a proposal from a private company to subdivide the 4.6 hectare land concession into two parts: 2 hectares of the concession would be used for construction of new housing for the land occupants, and 2.6 hectares of the concession would be granted to the company for commercial development. The remaining land area, amounting to 9.52 hectares,
would revert to the Ministry of Education, Youth and Sports, although this area was later sold to the private developer as well. The developer agreed to invest over US$ 7 million for the construction of ten six-storey walk-up apartments to re-house the residents. Each apartment unit would measure 40 square meters; there would be 29 individual, serviced apartment units per floor. The company was responsible for building temporary housing for those residents displaced by the construction. In addition to the buildings, the company was to construct a bitumen road of 400 meters, to connect the new community housing to the main road.

The Borei Keila land sharing agreement was a milestone in Phnom Penh. The project introduced a number of innovations in the area of social housing in Cambodia. The first was the construction of housing for the poor in the city center; this is a feature that has not been replicated in any other large-scale slum upgrading project (either before or since) in Phnom Penh. The second innovation was the financing mechanism: this involved the successful use of cross-subsidies from commercial development to finance the adjacent construction of low-income housing. By early 2010 four of the ten planned apartment buildings for Borei Keila

![Original apartment blocks, built for athletes in 1966, now crumbling and surrounded by shacks (Author's photo, January 2006)](image1)

![One of three new community buildings inaugurated in Borei Keila in early 2007 (Source: Municipality of Phnom Penh, 2007)](image2)

**Figure 1: The settlement of Borei Keila, before and after land sharing**

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Residents had been realized. Residents demonstrated widespread satisfaction with the living conditions and basic services in their new apartment units, and expressed relief at “no longer feeling like slum dwellers” (Rabé 2009, 399).

Despite its innovations, however, the Borei Keila project had some serious flaws. These included, from the beginning, the lack of adequate consultation with the residents about the land sharing agreement and building designs, even though most residents enjoyed possession rights to the land and properties they occupied. Other flaws included the lack of transparency in the awarding of the land sharing contract to the developer, and the widespread irregularities in the procedures to identify eligible beneficiaries and the allocation of housing units. One of the main objectives of the land sharing project—re-housing urban poor residents on site, in the city center, where they would have better economic opportunities—was compromised by a combination of lack of transparency, abuses and large-scale speculation. As a result of inadequate monitoring and enforcement procedures, relatively few original residents of Borei Keila have ended up occupying the new buildings completed thus far. The main reason for this is that hundreds of families took advantage of opportunities for short-term gain to illegally sell their community names to outsiders before the actual allocation of units. Yet other original residents sold or rented their apartment units once they had moved into the new buildings.

7. **The Case of Dey Krahom**

The Dey Krahom settlement was located on a narrow strip of land located in one of Phnom Penh’s most strategic areas, near the Bassac riverfont, and in the middle of an area slated for large-scale commercial redevelopment. Municipal officials claimed that the land belonged to the Municipality of Phnom Penh, but (as in the case of Borei Keila) a majority of residents could legitimately claim possession of their properties on account of their fulfillment of the five criteria
specified in the Land Law. With the rapid appreciation of land values in the Bassac riverfront area, residents feared a forced eviction was imminent, particularly after they received an eviction notice in the mid-1990s and saw residents of the neighboring settlement of Sambok Chab displaced by arson in 2001 and forcibly evicted twice again in 2006. After the successful conclusion of the land sharing agreement in Borei Keila, Municipal authorities hoped that a similar solution might be feasible for the Dey Krahom site, but the narrow shape of the latter site did not lend itself well to accommodating commercial development and community housing on terms acceptable to both developers and residents. Developers were only interested to share the site if residents were re-housed in a very tall apartment tower, thus leaving more space for commercial development. But Dey Krahom residents made it clear that they were not prepared to live in high-rise apartments at densities even larger than in Borei Keila. The land sharing plans in Dey Krahom had thus reached an impasse.

At this point a small group of community leaders began meeting directly with developers to consider a “land swap” whereby, in return for the right to develop 100 percent of the Dey Krahom site in the city center, a developer would deliver—for free—housing for the residents on the outskirts of the city, where the company owned land. The land swap model was being applied all over Phnom Penh during the 2000s, and the community leaders considered that the model offered several advantages, including the prospect of larger houses than they could obtain in the city center through land sharing, and at lower densities. In addition, the community leaders reasoned that land prices in the periphery of Phnom Penh were rising steadily, so their new houses and plots of land would represent a good investment over the long term.

The leaders met with a series of developers in search of a relocation deal that they considered would provide them with adequate compensation. In early 2005 they eventually
accepted an offer from a private company that promised to provide each family a one-storey concrete house of 40 square meters, along with basic utility connections, on a 50 hectare site owned by the company, located 20 km from Phnom Penh. Though the new site was still quite remote and far from employment opportunities, the developer pledged to construct a paved road connecting the new site to the main road, and assured the leaders that a garment factory would be built right next to the new site that would create 500 jobs for community residents. In addition, the company promised to deliver the following on-site facilities: a market, two pre-schools; a health post, a community office; a village office; and two buildings to be used as training centers. During the first five years, residents would obtain temporary land titles issued by the company. After five years, they could apply for regular land titles with the local authorities. In addition to the houses for the *Dey Krahom* population, the new site would accommodate hundreds more apartments in more expensive price categories. Proceeds from the sale of these commercial apartments would be used to finance the construction of housing for *Dey Krahom* families. In return for the free housing, all residents were expected to vacate their properties in the old site in the city center and turn over the land to the company.

*The rooftops of Dey Krahom, in the foreground, with the “Boding” apartment block in the background*  
*(Author’s photo, July 2006)*

*In the relocation site, a family preparing to relocate inspected the new housing being built for them*  
*(Author’s photo, January 2006)*

**Figure 2:** The settlement of *Dey Krahom*, before and after relocation
The *Dey Krahom* land swap arrangement had a number of progressive features. As in *Borei Keila*, housing units for slum dwellers were financed by a private developer, through cross-subsidies from commercial development, thus setting a potentially interesting precedent in an environment where public subsidies for housing for the poor were not available. Second, community leaders negotiated directly with commercial developers for the best relocation deal, once it became clear that the original project site was too small to accommodate a land sharing scheme that would be profitable for developers and appealing to residents. In the negotiations between the community leaders and the developers, there was hardly any intermediation by the Municipality (which had opted to “step back” from the process) or other public authorities. A relocation package as comprehensive as that which the company offered to *Dey Krahom* residents had never before been offered to any relocated slum dwellers in the history of Phnom Penh’s urban poor, whether by a public authority or by a private developer. What is more, the company made good on most of its promises to *Dey Krahom* residents, including the construction of housing, services, the pre-school and market, and the adjacent garment factory, which provides residents with employment.

But the “progressive” land swap project also had serious flaws, the most important of which was that the project had been planned and agreed in relative secret, between the company and a small group of community leaders, in the absence of public consultations and agreement with the whole slum population. The secret land swap agreement split the *Dey Krahom* population into two groups: those that would follow their leaders to the new site and those that refused to relocate. Those residents who disagreed with the relocation deal were subject to an increasingly violent campaign of intimidation and harassment, in an effort to persuade them to vacate their city-center properties. These residents were obliged to accept cash payments worth
less than market value compensation for their land and re-house themselves elsewhere, or else they faced the threat of eviction and no compensation at all. The last group of “recalcitrants” was eventually forcibly evicted from the Dey Krahom site in January 2009. Some population groups, such as renters, even those who had lived in Dey Krahom for a long time, were not eligible for any new housing or other compensation at all.

8. The Case of the Railway Settlements

The settlements of Railway A (also known as Santipheap) and Railway B (Roteh Pleung B) were located a few hundred meters to the south of Phnom Penh’s largest lake, Boeung Kak, and the city’s main railway line. Both areas were first settled by staff of the State Railway Company, but by the mid-1980s a land market had started to develop: land originally given out for free to Railway Company officials and employees was sub-divided and sold by Railway Company staff as well as by outside brokers and other early settlers. In the early 1990s, the Governor of Phnom Penh announced that settlers on Railway Authority land would be evicted. This had the desired effect of scaring some families away, but the majority of families refused to move.

In 1998 a private developer signed a 70-year lease contract with the Ministries of Transport and Finance for a 10 hectare area of State Railway Authority land covering the settlements of Railway A and Railway B. On this site the company planned to erect one of the largest mixed-use developments in Phnom Penh, comprising—in the first phase—a shopping mall, financial center and condominiums. A condition of the contract was that the company was responsible for finding a “suitable solution” for the residents of the two already existing settlements. The company started conducting regular surveys of the population of the Railway settlements, and it found that the number of families in both settlements kept growing. The
company tried to scare residents into leaving the settlements, including threatening arson and the use of bulldozers to evict them. But the scare tactics were counter-productive: they brought the community closer together and encouraged residents to seek support from NGOs, donors, and human rights organizations to lobby on their behalf. The Railway A and B populations—with the technical assistance of a few local NGOs—proposed a form of land sharing as a way to resolve the stand-off with the company, and as a way to finance new community housing. Unlike in Dey Krahom and Borei Keila, in both Railway settlements the land sharing plans, including the location of the proposed community housing, were elaborated and agreed as part of a relatively open community process. The Municipality initially reacted positively to the community plans, but the developer was steadfast in its refusal to consider any land concession to residents of the two settlements on the land covered by its lease agreement with the government.

The company made residents in both settlements two offers, in an attempt to vacate the land: families could receive a cash settlement of US$ 400 and a plot of land in a relocation site 12 km from the city—or they could receive a cash sum of US$ 700 if they moved out of the settlements altogether, on their own accord. If families chose the first option, the cost of relocation would be borne by the company. Few families took up the relocation offer, however, and those that did soon regretted their decision, as the relocation site was poorly serviced and located far from economic opportunities.

Three years after the Prime Minister’s social land concession announcement, and ten years after the company signed the lease for the area, the situation in the settlements of Railway A and B remained deadlocked. The company’s inability to force through a solution, even as projects in Borei Keila and Dey Krahom were moving full-speed ahead, could be attributed in part to the Municipality’s support for the population of the Railway settlements. In 2005, the
Governor of Phnom Penh had assured residents of the Railway settlements that they would never be evicted, and that the standoff with the company would have to be resolved in a peaceful manner.

The company proposed several other solutions, including nearby relocations and a “Borei Keila-type” arrangement: it offered to build a multi-storey apartment building to re-house both communities (but excluding renters) on the site of Railway B. The community leaders rejected the “Borei Keila-type” solution out of hand, because the residents did not want to live in a high-rise building, and because they feared being bought out of their new apartments and becoming squatters again, as happened to many poor families from Borei Keila who moved to the community buildings. Another tense stalemate ensued between the company and residents, but for the first time the ongoing uncertainty was starting to take its toll on residents and their determination to stay united in the face of external pressure. A growing number of residents admitted to “losing hope;” they doubted that the government would continue to support them, and doubted that a land sharing solution would ever materialize. Meanwhile, the developer started to approach individual families and offered them money to clear the site. But unlike in 2002 and 2003, when the company offered families merely US$ 700 to leave, this time the company was offering what it called “official market rates”, based on the size and location of each plot. This strategy had the full support of the Municipality. By the end of 2008—more than five years after the social land concession announcement—most of the residents had started to disperse.

Despite the initial support of the Municipality and NGOs, residents of the Railway settlements were ultimately left to their own devices when negotiating their relocation and final compensation packages in 2008 with the leaseholder of the area. The company’s strategy of
divide and rule finally worked, and soon the two slum populations began to disperse, starting with the community leaders, whom ordinary community members accused in the end of “working for the company”. The internal solidarity demonstrated by the residents for so long finally collapsed under the strain of many years of uncertainty and threats by the company. While residents of Railway A and B ultimately received cash compensation for their properties, many residents complained that the compensation was far below actual market rates. Average cash compensation payments ranged between US$ 4,000 and US$ 20,000 per household name on the list of community members. The size of the compensation depended on the timing of the sale, the size of a family’s property, the number of “names” on the list each household had, and perhaps most important, on the strength of a family’s negotiation tactics. For most residents, the compensation packages were not sufficient to afford replacement housing in the center of Phnom Penh. As in Dey Krahom, the most unlucky of all residents were renters, who were not eligible for any compensation at all.

9. **Lessons from the Land Sharing Failures**

When the four pilot land sharing schemes were launched in Phnom Penh in 2003, they held out the prospect of bridging two kinds of “urban divide”—a divide between slum dwellers and the rest of the city, on the one hand, and a divide between public and private interests, on the other. Land sharing was supposed to be a “win-win-win” solution for three major constituencies. It was supposed to enable slum residents to remain on site, in the city center, in free new housing to be paid for by private developers. For the first time, most of these residents would obtain titles to their properties in the city center. For the Municipality of Phnom Penh, the public interest would be served through the elimination of slum conditions in the heart of the city. Moreover, the cross-subsidization principle was a welcome instrument to finance slum
upgrading. At the same time, the Municipality could continue to accommodate commercial
development in the city. For private developers, land sharing was a way to access prime real
estate in the city center currently occupied by slum dwellers, without the need to go through
time-consuming and messy eviction proceedings.

But in retrospect it is clear that the necessary institutional structures in Phnom Penh—and
perhaps also the political will—were not sufficiently developed yet to guide land sharing to a
successful conclusion in the first decade of the 21st century. Whereas in Bangkok in the 1970s
and 1980s civil society organizations and public organizations such as the National Housing
Authority provided the vital institutional framework to support the land sharing efforts, in Phnom
Penh in 2003 these support structures were largely absent. Of the six common preconditions for
land sharing outlined in section 3, at least two were missing in the Phnom Penh context:
community organization and impartial third party intermediation.

Several factors impaired community organization and consensus in the Phnom Penh land
sharing settlements. The first was the fragmentation of the slum populations, which was readily
exploited by developers. One big divide was the distinction between those residents who were
eligible in principle for new housing (house owners and those supporting the slum
redevelopment plans) and those who were not (such as renters, opponents of the slum
redevelopment plans and certain other sub-groups). Another reason for the community
fragmentation in Phnom Penh was the breakdown in trust due to the perception of community
leaders “selling out” to developers. In all four pilot settlements, community leaders were
discredited in the eyes of their members because of their perceived collusion with developers and
local authorities. Despite years of “community organization” activities in Phnom Penh by local
community based organizations, community structures were not mature or strong enough to
withstand the external pressure aimed at them by developers and local authorities during the slum redevelopment process. Moreover, slum dwellers’ awareness of their land rights was still very low, which facilitated the divide and rule policies of the developers. In all four cases, residents were reluctant to engage in open dissent of the redevelopment plans for fear of losing their right to free new housing, or for fear of other reprisals by the developer or by public authorities. As a result of all these factors, collective action and resistance by the land sharing communities was rare.

Another, related factor in the failure of land sharing in Phnom Penh was that no external party (whether public authority or civil society organization) was able or willing to act as a consistent mediator between slum dwellers and private sector developers in the shaping of the land sharing outcomes. The only form of “intermediation” in the Phnom Penh pilot projects occurred to some degree in Borei Keila, where the Municipality of Phnom Penh invited the developer to draw up plans for the subdivision of the site and the construction of the new housing for residents. However, the Municipality’s “intermediation” was far from impartial. The participation of concerned residents (most of whom enjoyed legal possession of their properties on site) in the elaboration of the land sharing plans and buildings designs was minimal, and procedures for the determination of eligibility for new housing among residents were not transparent. Moreover, there was an active informal market in the transfer of eligible names that was poorly monitored by the authorities, and according to some residents, even enjoyed the backing of a few public officials.

In Dey Krahom and the Railway sites external intermediation in the formulation of the land sharing plans was almost completely absent during the negotiations with developers. As a result, the populations of the four pilot settlements were forced to negotiate directly (and often on
an individual basis) with commercial developers to obtain the best housing “packages”, in return for their land. In the case of *Dey Krahom*, this enabled a small group of community leaders to hijack the redevelopment process in the name of the entire community. In the Railway settlements, this led to a long period of stalemate. The final outcome for all three settlements was that residents had to vacate their city center properties to make way for commercial development, in violation of the principles of the slum upgrading campaign and the land sharing program. The negotiated relocations did not prove to be voluntary for all residents, and many of the compensation packages offered by the developers were on a take-it-or-leave-it basis.

10. **The Future of Land Sharing as a Slum Redevelopment Tool**

The Bangkok and Phnom Penh cases illustrate that the land sharing technique has several limitations. It can be a long, drawn-out process whose benefits may be out of proportion to the human resources and time resources invested in it, particularly in the case of small settlements. Moreover, the technique has so far been limited to public lands, as public authorities have felt more pressure than private landowners to seek compromise and invest resources (even if limited) on behalf of the poor. The Phnom Penh cases demonstrate that perhaps the most important limitation of land sharing is that, in an environment with still weak legal and institutional protection of the poor, the process is unlikely to lead to an agreement that benefits slum dwellers, particularly in the absence of active and impartial mediation between slum dwellers and developers. For this reason, the four pilot projects in Phnom Penh ultimately succumbed to the large-scale land speculation that pervaded the city during the 2000s, and residents of three of the four pilot settlements were displaced in favor of 100 percent commercial development—this despite the Government’s stated commitment to on-site slum upgrading.
Nevertheless, where genuine political will does exist to seek mutually beneficial development outcomes, land sharing continues to be a potentially innovative and flexible slum redevelopment instrument in cities characterized by active land markets. In such cases, a concrete measure to ensure the effectiveness of land sharing might include drawing up a legal or regulatory framework that facilitates the use of specific land sharing tools, institutions, and powers, to enable an accelerated process and clear institutional mandates.
References


Notes

1. This paper is based on research on land sharing conducted by the author in Bangkok in 2002-2003 and in Phnom Penh between 2003 and 2009. The Bangkok research was undertaken jointly with a small team of research assistants affiliated with Chulalongkorn University. The Phnom Penh research was undertaken as part of the author’s doctoral work for the University of Southern California. During this period, the author was based in Cambodia and working, among others, as Land Policy Expert at the Municipality of Phnom Penh under the auspices of the Phnom Penh Urban Poverty Reduction Project, executed by UN-Habitat and UNDP.

2. Letter No. 875 of the Council of Ministers of Cambodia, dated 8 July 2003, authorized the Municipality of Phnom Penh to prepare “social land concession” projects for the four pilot settlements. The letter ordered the Municipality to “concede land for social purposes to poor communities according to their demand”.

3. In addition to the seven “original” land sharing projects of the 1970s and 1980s, land sharing has recently reappeared in Thailand in a more planned fashion as part of the Government’s Baan Mankong housing program, which is helping to upgrade thousands of informal settlements across that country.

4. The rights of a possessor are “somewhat less” than the rights of a property owner. But the significance of possession right is that it gives the possessor the right to convert possession into ownership, through an application process (EWMI, 104; 106). In order for possession to be transformed into ownership, and in order for possession to be valid, Article 38 of the Land Law stipulates that it has to meet five basic conditions: it has to be “unambiguous, non-violent, notorious to the public, continuous, and in good faith”.

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Article 30 of the Land Law adds two other conditions for valid possession: possession must have occurred for “no less than five years prior to the promulgation of this law”, and it must be “uncontested”.
Aerial Photographs of the Pilot Land Sharing Settlements in Phnom Penh

Figure 3: Orthophoto of *Borei Keila* settlement

_Flying scale: 1:7000 / Date of orthophoto: February 2005._

_Copyright: Aruna Technology/BLOM Aerofilms; Reproduced from Rabé 2009, 453._
Figure 4: Orthophoto of Dey Krahom settlement

Flying scale: 1:7000 / Date of orthophoto: February 2005.

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Figure 5: Orthophoto of Railway A and B settlements

Flying scale: 1:7000 / Date of orthophoto: February 2005.

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