A Critical Analysis of the Use of Informal Settlement Dwellings as an Economic Asset: 
The Case Study of Kwa-Mathambo in Durban

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Declaration
I, Sinenhlanhla Thenjiswa Nzimande hereby confirm that all the information contained in this dissertation is my own work and that it has not been previously submitted to the School of Built Environment and Development Studies or any other body for any purpose. Work and ideas adopted from other authors or sources are properly acknowledged.

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Abstract
Rapid urbanization and informal settlements are global phenomena, particularly relevant in developing countries. More than half of the population of African cities will migrate from rural areas to urban areas (UN-Habitat, 2014). In South Africa, rapid urbanization has resulted in the growth of informal settlements that are associated with negative impacts on the urban fabric as they are characterized by poor living conditions, poverty and unemployment. However, they serve as a foothold for migrants in search of social and economic opportunities. Residents of informal settlements engage in livelihood strategies that enable them to meet their basic needs and reduce household poverty.

This study analysed how informal dwellings function as an economic asset to generate an income. A case study was conducted in Kwa-Mathambo informal settlement in Avoca, eThekwini Municipality. The municipality and a local community organization have implemented Emergency Housing Units and Re-blocking Units as recovery strategy in Kwa-Mathambo and interim services, including water and electricity, have been provided.

Informal settlements face various challenges that result in residents using their dwelling space to accommodate livelihood strategies. Engaging in wealth creation activities is a way of coping with population’s demands in urban areas. This study aims to identify the different economic activities that informal dwellers engage in, examine the use of the dwelling space for both residential and economic purposes, and to assess whether the provision of interim services enhanced the use of the informal dwelling as an economic asset. It also sought to identify the challenges associated with using the dwelling as an economic asset and to make recommendations on how informal settlements can be managed. A qualitative approach was adopted, with questionnaires, observation and in-depth interviews used to gather information from 20 residents of Kwa-Mathambo, two municipal officials and three members of the community support organization.

The study found that the informal dwelling is a household wealth creation tool, which enables residents to meet basic needs and reduce poverty. Access to interim services in Kwa-Mathambo has created economic opportunities through enhancing the economic activities that informal residents engage in. Despite the fact that many regard informal settlements as a blight on urban areas, the findings suggest that they can be managed through supporting livelihood strategies. While the intention is not to promote the growth of informal settlements, municipalities and community organizations should acknowledge the use of informal dwellings as a physical asset that supports livelihood strategies. The results can inform policy to support and enhance
informal residents’ livelihood strategies through training, programs and capacity building, to promote economic growth and self-reliance in marginalised communities.
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**List of Acronyms**

ANC – African National Congress  
BNG – Breaking New Ground  
CBD – Central Business District  
CORC – Community Organization Resource Centre  
DFID – Department for International Development  
DoHS – Department of Human Settlements  
EMP – Emergency Housing Program  
EMU – Emergency Housing Units  
FAO – Food and Agriculture Organization  
HBE – Home-Based Enterprise  
HDA – Housing Development Agency  
HWP – Housing White Paper  
RDP – Reconstruction and Development Programme  
SDI – Slum Dweller International  
SEDA – Small Enterprise Development Agency  
SLA – Sustainable Livelihoods Approach  
UN – United Nations  
UNDP – United Nations Development Program
Chapter One: Introduction and Background to the Study

1.1 Introduction
Informal settlements are widely regarded as a blight on the urban fabric and on people living in urban areas (UN-Habitat, 2014). They are associated with poor living conditions, substandard structures, poverty and unemployment, which create a slum environment in urban areas. Unemployment rates are high among the urban poor, particularly households within informal settlements, resulting in poverty. In response, informal dwellers, most of whom originate from rural areas, engage in survival strategies as a means of creating household wealth. Informal settlements are occupied by rural migrants that move to urban areas in search of better economic opportunities, better standard of living and access to the city.

Informal dwellings in urban areas offer residents access to economic opportunities and accommodation as well as exposure to the urban lifestyle. In this regard, it can be argued that, the function of the informal dwelling has a different meaning for its dwellers. This study focuses on the economic function of the physical informal structure as a means of meeting basic needs and the different economic activities that informal dwellers engage in to sustain a livelihood. A livelihood is a fundamental necessity for survival, which includes shelter, water and food (Olajide, 2015). Informal dwellers engage in survival strategies which include using the dwelling for wealth creation to meet basic needs. The emergence of home-based enterprises (HBEs), which include renting out space, offering services and using the dwelling as a place of production are the main means of creating wealth (McGranahan *et al.*, 2001 cited in Olajide, 2015).

South Africa’s 2004 housing strategy, Breaking New Ground (BNG) advocates for the use of the dwelling as a financial and economic asset. As part of a livelihood strategy, the informal dwelling can be classified as a wealth creation tool in the informal economy. This study thus explored how informal dwellers use the informal dwelling as a residential and economic space. It focuses on the informal activities that informal dwellers engage in by using their informal dwelling as an economic asset in the informal sector. The study also explored how the income generated contributes to the livelihoods of informal settlement dwellers. It is anticipated that its findings will raise awareness among policy makers of the use of a dwelling as an economic asset and other livelihood strategies. This could promote more effective planning. The study also investigated the support offered at municipal level to enhance such activities and recommends appropriate strategies in this regard.
In this regard, the contextual imperative seeks to arrive at one common understanding. That the growth of informal settlements is not a new phenomenon in developing countries such as South Africa. Therefore, this chapter presents a brief background to the study, its aims and objectives, and the research questions, hypothesis and motivation for the study. It concludes with an outline of the structure of the dissertation.

1.2 Background
Informal settlements primarily occur in developing countries (Kinjani, 2014). They are defined as settlements where the urban poor illegally occupy land and are characterized by poor living conditions and informal economic activities (Huchzermeyer, 2006). Huchzermeyer (2006) describes informal settlements as an urban phenomenon that is associated with various factors such as urbanization, economic decline, a shortage of housing and growing unemployment. In South Africa, the emergence of informal settlements dates back to 1886 after the discovery of minerals in the Orange Free State and Transvaal (Mears, 2007). Major cities in the country experienced rapid population growth as rural migrants arrived in search of economic opportunities (Marx and Charlton, 2003). The development of Durban’s harbour attracted several industries that created job opportunities, attracting work seekers (Marx and Charlton, 2003). The rate of urbanization increased after the first democratic elections in 1994 (Donaldson, 2001). The housing backlog and lack of economic opportunities led to the mushrooming of informal settlements in close proximity to social and economic amenities (Turok, 2015).

Kinanyi (2014) argues that the informal economy is an integral part of urban areas in developing countries. It offers a platform for the urban poor to survive, particularly migrants that may lack the necessary skills or documentation to engage in the formal economy (Kellett and Tipple, 2000). Informal economic activities include hawking, informal manufacturing, informal production and renting out space (Olajide, 2015). This enables the urban poor to be self-employed and provide for their basic needs (Kinanyi, 2014).

Kellett and Tipple (2000) note that, there will be an increase in innovative survival strategies adopted by the poor. It can be argued that the urban poor have always adopted various economic strategies as a means of survival. While many associate informal settlements with poor living conditions, crime and violence and regard them as a hindrance to urban planning, for their residents, they offer access to economic opportunities as well as to the city (Turok, 2015). It can thus be argued that they regard such settlements are places of hope and opportunity.
1.3 Problem statement
The rapid growth of informal settlements in urban areas is related to growing urbanization and the need for affordable shelter. The trends of urbanization are influenced by rural-urban migration, employment opportunities and access to the urban lifestyle. Rural migrants move to urban areas due to unfavourable agricultural conditions, poor infrastructure and basic services and limited livelihood opportunities in their places of origin (Cobbinal et al., 2014). Rural-urban migration is also caused by development strategies that focus on urban areas (Cobbinal et al., 2014). The development strategies focus on urban areas and limited attention is given to rural areas. As a result, there is an influx of rural-urban migrants that seek to access opportunities and services in urban areas.

The rate of urbanization consequently increases the rate of housing backlog. As noted earlier, housing backlogs in urban areas contribute to the growth of informal settlements (Ojo-Aromokudu and Loggia, 2016). The urban poor also resort to self-built informal structures when they cannot afford formal housing. Such settlements are associated with poor and unsafe living conditions (Brown-Luthongo et al., 2016). It is also widely believed that informal dwellers depend heavily on government assistance and will do anything to address their state of poverty. They engage in different activities that form part of their livelihood strategies. Livelihood strategies refer to the urban poor’s use of available resources to generate an income to improve their standard of living (HDA, 2015). The informal dwelling can function as a tool to engage in economic activities to create wealth. Given the paucity of research on this strategy, the current study examined how informal dwellers use their dwelling as an economic asset.

Municipalities and the Department of Human Settlements have provided services and programs to manage informal settlements. The Emergency Housing Program caters for residents affected by fire or other disasters. Support organizations such as the Community Organization Resource Centre (CORC) have also implemented programs such as Re-Blocking Units in informal settlements in response to natural disasters. These programs provide interim services like prepaid electricity, water and ablution blocks. In this regard, the study sought to identify how such interim services enhance residents’ livelihood strategies.

Although informal settlements pose challenges to cities in developing countries, it is clear that they are an integral part of urban areas, especially in African countries (Olajide, 2015). While it is not this study’s intention to suggest that they should be encouraged, these settlements can be managed by supporting livelihood strategies that promote economic growth. This will
enable informal dwellers to address their own living conditions. Finally, housing provided in informal settlements should not compromise existing livelihood strategies.

1.3 Aim
The overarchin g aim of this study was to understand the role and function of the informal settlement dwelling as an economic asset and how this enables residents of Kwa-Mathambo informal settlement in Durban to meet their basic needs and reduce household poverty levels.

1.4 Objectives

1.4.1 To identify the different economic activities that informal dwellers engage in for income generation to meet their basic needs.

1.4.2 To investigate the compromises made to enable the informal dwelling space to accommodate both economic and residential purposes.

1.4.3 To investigate the role of interim services in enhancing the use of the dwelling as an economic asset.

1.4.4 To identify the challenges of using the informal dwelling as an economic asset.

1.4.5 To make recommendations to policy makers on how informal settlement can be managed.

1.5 Research Question
How does the informal dwelling function as an economic asset among residents of Kwa-Mathambo informal settlement? How do they meet their basic needs and how could informal settlements be managed in order to support dwellers’ livelihood strategies?

1.5 Sub-Questions

1.5.1 What different economic activities do informal dwellers engage in to generate an income?

1.5.2 What compromises do informal dwellers make to accommodate both economic and residential purposes in the dwelling?

1.5.3 How do interim services enhance the informal dwelling as an economic asset?
1.5.4 What challenges do informal dwellers experience in using the informal dwelling as an economic asset?

1.5.5 How can policy play a role in managing informal settlements by supporting dwellers’ livelihood strategies?

1.7 Hypothesis
The informal dwelling functions as more than a residence and can be regarded as an economic asset in the informal economy. Interim services have contributed to the use of the informal dwelling as an economic asset. This enables dwellers to meet their basic needs.

1.8 Motivation for the research
The growth of informal settlements in urban areas is the consequence of slow delivery of housing for the poor and inadequate income to purchase or rent formal housing. Informal settlements have become part of urban areas and offer an alternative inexpensive form of housing for the urban poor. However, the dwellings represent more than simply shelter. Many poor residents of these settlements use informal dwellings as a space to engage in informal activities and generate an income. In this regard, this study is interest in the economic activities that the poor engage in using the dwelling space. This research study was motivated by a visit to Kwa-Mathambo informal settlement in 2016, where I observed the different economic activities taking place. I was inspired to investigate how informal dwellings are used as an economic asset and how residents’ livelihood strategies could be considered when formal housing is introduced. In addition, the study seeks to

1.9 Structure of the Dissertation

Chapter Two: Research Methodology

Chapter two outlines the methodology employed to conduct the research. It discusses the sampling strategy adopted, data collection methods and the approaches employed to analyse the primary data. The chapter concludes with a presentation of the case study, Kwa-Mathambo informal settlement.

Chapter Three: Conceptual and Theoretical Frameworks

Chapter three discusses the two theories that underpinned this research, namely the Sustainable Livelihoods Approach (SLA) and the Culture of Poverty. It also discusses the key concepts that influenced and supported the research study.
Chapter Four: Literature Review

Chapter four reviews the literature relevant to this study. It also presents precedent studies on the use of informal dwellings as income generators in Nigeria and Indonesia as well as the lessons that can be learnt from these experiences.

Chapter Five: Data Presentation and Research Findings

Chapter four gives a detail description of Kwa-Mathambo Informal. This chapter discusses the study area and presents the empirical data gathered by means of interviews with households, municipal officials and CORC staff.

Chapter Six: Conclusion and Recommendations

Chapter six reflects on the on the objectives, the research questions and the hypothesis of this study. A conclusion of the whole research study will be presented by providing a summary of the chapters included in this dissertation. This chapter presents an overall conclusion and offers recommendations based on the study’s findings.

1.10 Chapter Summary

This chapter presents the motivation and background of informal settlements and the economic opportunities that exist through the informal economy. The chapter alludes to the challenges that lead to the development of informal settlements. In addition the chapter consists of the objectives, research questions and a hypothesis that would be verified by the empirical data and findings. The chapter concludes with structure of the dissertation with a brief description of the content.
Chapter Two: Methodology

2.1 Introduction

Research is defined as a logical and systematic approach to probe for new and useful knowledge on a particular topic (Rajaseka et al., 2006). It seeks to identify solutions to problems using systematic analysis. These objectives are achieved through study, observation, comparison and experimentation (Kothari, 2004). Various methods can be used to achieve a study’s aim and objectives. Therefore, research methodology is defined as a technique that sets out a plan and process for conducting research. This chapter presents a detailed description of how this research study was conducted and the research method employed. It discusses the sampling technique used, primary data collection and analysis and secondary data sources.

2.2 Research Approach

Qualitative Research

The study adopted a qualitative research approach. Brick and Green (2007) observe that qualitative research seeks to understand social and human problems within communities by understanding people’s experiences. Mill (2009) notes that qualitative research methods are used to collect information in the form of written, spoken and observed data. This study employed semi-structured interviews to understand how using the informal dwelling as an income generator assists households to sustain their livelihoods. The interview questions were designed to probe for answers that responded to the research objectives. Closed and open-ended questions were used.

The research participants included selected residents in Kwa-Mathambo that engage in economic activities using their informal dwelling, members of the Community Organization Resource Centre (CORC) and officials from eThekwini’s Municipality’s Business Support Unit and Human Settlements Support Unit. The respondents provided relevant data to inform the research. Face-to-face, in-depth semi-structured interviews were conducted with Kwa-Mathambo residents in their home setting. Moriarty (2011) argues that, meeting participants in their home allows them to relax and feel comfortable in interacting with the researcher.

Primary data refers to first-hand information that is gathered from the source by posing specific questions (Hox and Boeije, 2005). It consists of new information in a given field of study. Apart from the interviews, observation was used to capture images of the informal dwellings and the economic activities taking place within them. The respondents in Kwa-Mathambo informal settlement were identified through snowballing sampling.
2.3 Sampling

Sampling is defined as the identification of informants to provide data to achieve the research objectives and answer the research questions (Gentles et al., 2015). Brick and Green (2000) state that sampling is used to identify the target group that is most likely to provide relevant information for a research study.

There are two types of sampling designs, namely, probability sampling and non-probability sampling (Tansey, 2007). With non-probability sampling, also known as random or chance sampling, all the members of the population have an equal chance of being selected (Tansey, 2007). In contrast, with probability sampling, also known as deliberate, purposive or judgment sampling, the researcher purposively selects participant that are knowledgeable on the research topic (Kothari, 2004). An official from eThekwini Municipality’s Business Support Unit and one from the Human Settlements Support Unit as well as CORC members were purposely selected due to their engagement with the Kwa-Mathambo community.

Snowball sampling is a purposeful sampling technique where the researcher identifies an individual in the targeted group who is then asked to introduce other people that are in a position to provide useful information (Brick and Green, 2007; Gray, 2004). The researcher asked participants in Kwa-Mathambo that were using their informal dwelling for income generating activities to identify others doing likewise.

Given that not all the residents of Kwa-Mathambo use their dwellings to generate an income, the targeted sample size was 20 key informants in the informal settlement, two municipal officials and three members of the CORC. Creswell (1998) argues that a sample of 20-30 informants is suitable for in-depth interviews to answer the research questions without any form of bias. Therefore, the population size for the study was 20 to seek suitable in-depth interview.

Household Interviews

Semi-structured questionnaires were prepared for the participants. Semi-structured interviews involve verbal interaction that enables the interviewer to probe for further information (Lughurst, 2003). The interviews were structured around specific research questions. A pilot study was conducted with one household to test the appropriateness of the schedule of questions and ensure that all the research objectives were covered in the questionnaire. The questionnaire contained open and closed-ended questions.
**EThekweni Municipality: Human Settlements Support Unit**

The municipal official attached to the Human Settlements Support Unit provided useful data on the Kwa-Mathambo informal settlement, as this unit manages informal settlements in eThekwini. The official also provided information on the strategies that have been implemented to create a more liveable settlement. The Human Settlements Support Unit has worked with the community of Kwa-Mathambo to provide Emergency Housing Units.

**EThekweni Municipality: Business Support**

This unit supports informal businesses in eThekwini Municipality. An official attached to the unit was interviewed to determine the nature of the assistance offered to informal dwellers that use their dwelling as a home-based business. The support unit formed part of the key informants that inform this study. The researcher prepared semi-structured interview with open and close ended questions.

**Community Organization Resource Centre (CORC)**

The CORC provides different forms of assistance to the Kwa-Mathambo community, including Re-Blocking Units. A focus group discussion was conducted with three members of the CORC, namely two officials and one community member. Focus groups involve a group meeting in an informal setting to discuss a particular topic (Lughurst, 2003). Thus allowing the researcher to gather information from a large group of people. Chapter five alludes to the role that CORC has played in the community of Kwa-Mathambo.

**Observation of the physical environment of the informal settlement**

Data collection also involved observation of the physical environment in Kwa-Mathambo informal settlement. The settlement is occupied by rural migrants, mainly from neighbouring provinces. In line with the research topic, observation focused on the use of the dwelling place to generate income, including what enabled such activity, such as additional rooms, the type of goods sold or services provided and the use of space outside the dwelling as well as shared spaces. An observation schedule was drawn up and presented to the respondents. The researcher also captured images to support the data collected. Thus allowing the researcher to observe and capture the living conditions.
Secondary Data

The literature review and theoretical and conceptual frameworks for this study were sourced from secondary data in the form of published material. Concepts relevant to the study made up the conceptual framework, while the SLA and Culture of Poverty underpinned the theoretical framework. The literature review discusses the philosophical assumptions on which previous studies were based and presents precedent studies that highlight the use of informal dwellings to generate income as a survival strategy. It also identifies the challenges that confront this strategy and useful lessons on how these challenges have been addressed.

2.4 Data Analysis

Data analysis is the process of analysing the information collected and captured to respond to specific research objectives. Qualitative data analysis aims to produce clear and understandable information on a particular phenomenon (Vosloo, 2014).

This study employed thematic analysis, a qualitative analytical method used to identify, analyse and report patterns in raw data in order to answer the research questions (Braun and Clark, 2006). The key themes identified are:

a) The respondents’ demographic characteristics.
b) The different economic activities in the dwelling.
c) The informal dwelling space as an economic asset and residential space.
d) The uses to which the additional income is put.
e) Interim services and the dwelling as an economic asset.
f) Challenges of using the informal dwelling for income generation.

Flick (2013) notes that the data analysis is applied to discover issues in particular field or process in routines and practises. In addition it aims to descript a phenomenon in greater detail. The analysis can be achieved through comparing various materials or texts. In this regard, imagines and observation tables were used to assist to analyse data. The interview schedule from the community of Kwa-Mathambo and key informants was analysed to understand how the informal dwelling functions as an economic asset and the benefits that are derived from this use.

The data interpretation in this study was based on the findings and data analysis. This included the primary data from the community of Kwa-Mathambo, Municipal officials and CORC official through the interviews conducted. Through the process of data analysis the researcher derived information as to why the informal dweller chooses to use the informal dwelling as an
economic asset. In addition, the researcher was able to understand the role of the informal dwelling to its occupancies, challenges and the different economic activities that dwellers engage in. Chapter 4 alludes to the research findings and the different themes that have emerged from this study.

2.5 Case Study
As illustrated in Figure 2.1 below, Kwa-Mathambo is an informal settlement in eThekwini Municipality, KwaZulu-Natal. It is situated in Avoca alongside the Red Hill industrial park. Kwa-Mathambo falls within ward 34 of the municipality, about 10 km from the city centre. The settlement was established 28 years ago, when the first settler, a domestic worker, took up residence (Kumalo and Phewa, 2012). It is characterized by high density and poor living conditions. Kwa-Mathambo informal settlement was selected as a case study because it is accessible and its inhabitants face challenges such as unemployment and poor living conditions. In addition, government interventions such as the Emergency Housing Program and Re-blocking Project have been implemented in this settlement.

![Locality Map of the Study Area](image)

**Figure 2.1: Locality Map of the Study Area (Source: Author, 2018)**
According to the Housing Development Agency (2014), the number and size of the informal settlements in Durban have grown as it continues to attract rural migrants. Figure 2.2. below shows that the municipality has stepped up its efforts to promote a liveable environment in these settlements by providing water, sanitation and electricity.

![Figure 2.2](image)

Figure 2.2: Services provided in informal settlements in eThekwini Municipality (Source: HDA, 2014)

Kwa-Mathambo is one of the fastest growing informal settlements within eThekwini Municipality. Like other informal settlements within the municipal boundaries, its inhabitants suffer from poverty, unemployment and poor living conditions (CORC, 2012). The eThekwini Integrated Development Plan (IDP) highlights that the settlement is characterized by a lack of basic services such as piped water to individual structures. Understanding the level of service provision in this settlement assisted the researcher in determining how interim service provision enhanced the use of the dwelling as an economic asset.

**2.6 Chapter Summary**

This chapter presents the research methodology employed to conduct this study. It then discussed the qualitative approach adopted, the research design, sampling methods and data analysis. The research methodology process was adopted to achieve the final outcome of this study. The qualitative approach is adopted in this study to add to knowledge and understand the perception of the informal dwelling as functioning as an economic asset. Key informants of the study have been identified and represented in this chapter. Thematic analysis was
adopted to analyse the primary data collected, which is presented in the data analysis chapter, chapter five.
Chapter Three: Conceptual and Theoretical Frameworks

3.1 Introduction
This chapter presents the conceptual and theoretical frameworks that informed this study and the philosophical assumptions of the research topic (Creswell, 2013). The conceptual framework discusses the key concepts applied in the study, while the theoretical framework highlights the theories that informed the research, namely, the SLA and the Culture of Poverty. Scholars have employed the SLA to understand how holistic development can be achieved by means of sustainable resource management and poverty reduction (Krantz, 2001). It focuses on the activities and outcomes that enable the poor to improve their livelihoods. The theory thus highlights that sustainable livelihoods is both a means and an end. The Culture of Poverty theory that was proposed by Lewis in 1966 examines the behaviour of the urban poor and their response to their living conditions and poverty as a whole.

3.2 Conceptual Framework

3.2.1 Dwelling
A dwelling can be defined as a structure that gives one access to a particular place through residing. Brun (2015) argues that the dwelling is a structure built for human habitation which may not be considered to be a dwelling. In this regard, it provides shelter and facilitates access. A dwelling can thus be defined as a structure that is intended to provide shelter. It is a temporary structure that is not intended to last. In addition, a dwelling is viewed as a physical structure that provides shelter when people are displaced (Brun, 2015). Informal settlements are viewed as temporary shelter that houses migrants to the city.

However, for the dweller, a dwelling is not just a shelter but can also function as a place of belonging. The dwelling represents a home where relationships are built. Therefore, a dwelling is defined as a place where human beings seek to find spiritual unity and belonging (Shidfar, 2013). The word dwelling can be used to describe its physical meaning as well as the psychological meaning it has for a household. In addition, a dwelling is shelter that is deemed as a place for comfort and settling and offers a sense of belonging (Heidegger, 1973, cited in Easthope, 2004). Easthope (2004) argues that a dwelling place is a primary human need, where people prepare food, rest and sleep. In this regard the informal dwelling is a form of dwelling that provides a place of belonging, place of residing and place where basic needs are met for low-income groups. In the context of this study the dwelling refers to a form of structure that provides shelter, a place of belonging and a place where people can address their primary needs.
3.2.2 Informality

Informal settlements, is a term used to define low-income settlements that are characterized by poor living conditions (Nassar and Elsayed, 2017). The development of informal settlements is a global occurrence due to poverty and a lack of access to formal housing. Terms such as slum and squatter camp are also used to describe informal settlements that are illegally occupied with no secure tenure. For the purposes of this study, informal dwelling refers to the physical informal structures built by informal dwellers for the purpose of residing. Such structures do not conform to municipal by-laws and housing standards.

In the context of this study, an informal settlement refers to self-built housing with sub-standard services within urban areas (Lombard, 2014). It is usually characterized as low income housing that is problematic in urban areas. There are developed on invaded land with a lack land tenure. The development of informal settlement conflicts with the planned strategies in urban area resulting in unplanned urban expansion. Lombard (2014) highlights that informal settlements are associated with poverty, irregularity and marginalization. They are located in urban areas and are an indication of the level of inequality within these areas. As a result, they have been described as a place where urban society tolerates inequality and allows it to fester (Lombard, 2014). Moreover, Gibbs et al. (2014) argue that informal settlements are associated with high levels of violence, poverty and poor health.

Informal settlement dwellers adopt various strategies to survive in urban areas. Hunter and Posel (2014) note that people that reside in informal are employed in semi- or unskilled jobs and earn low wages. The urban poor that reside in informal settlement rely on these kills as an act of survive in urban areas.

3.2.3 Informal Economy

The informal economy is one of the fastest growing economic sectors in the urban areas of developing countries. Kinyanjui (2014) defines the informal economy as one that is easy to enter using one’s own resources. It is thus dominated by small-scale businesses whose owners have limited skills (Kinyanjui, 2014). The dualist theory argues that economic exclusion is due to population growth and industrialization; this contributes to the rise of the informal economy (Chen, 2012). Furthermore, given that informal economic activities often operate outside of the law, this sector is easier to access than the formal economy. Wallac and Latchera (2006) highlight that, some people that are employed in formal jobs are also likely to participate in the informal economy. For the purposes of this study, all the above definitions of the term informal
economy are adopted, but with a specific focus on informal dwellers that use their dwelling to generate income and all economic activities that are classified as home-based businesses.

3.2.4 Economic asset
An asset is defined as an entity which enables its owner to derive economic benefits (Harrison, 2006). To achieve an asset’s full potential, full performance must be achieved. According to Rust et al. (2009), at the household level, housing performance is achieved in three ways, namely, as a social asset, financial asset and economic asset, as shown in Figure 3.1 below.

Housing as a social asset refers to the core psychological functions that a house serves for the household. These include being a place of belonging and safety, which enhances social networks in neighbourhoods (Rust, 2007). The notion of housing as an economic asset was highlighted in South Africa’s BNG housing policy of 2004, where it was conceived of as a poverty eradication tool. In this regard, a house is regarded as a tool that enables the household to derive income from the use of the dwelling. Rust et al. (2009) note that this could be achieved through establishing an HBE, and renting out part of the dwelling. In the context of this research, the informal dwelling as an economic asset refers to the dwellings’ functional use, which allows the dwellers to derive an income. Finally, housing as a financial asset refers to its financial value which enables a household to improve its financial situation (Rust, 2007). This includes access to finance, where the house acts as collateral for a loan. In the contexts of this study the dwelling as an economic asset refers to functional use of the dwelling, which allows the dweller to engage economic activities to derive an income.

![Figure 3.1: The Housing Asset Triangle (Rust, 2007)](image-url)
Livelihoods and vulnerability

The definition of a livelihood has evolved over the years. For the purposes of this study, Chamber and Conway’s definition of a livelihood as “The capacity to maintain a living” is adopted (Chamber and Conway, 1991, cited in Fang et al., 2014:225). A livelihood involves meeting basic needs such as security, services such as water, electricity and sanitation, housing, education, and health care (HDA, 2014). In the South African context, a livelihood is defined as the informal or formal means of meeting basic needs (HDA, 2014). It involves various innovative strategies as well as employment in order to survive. These means of survival differ from one income group to another. Members of middle- to high-income groups of society engage in the formal and informal sectors to generate an income, but are concentrated in the formal sector.

The five capital approach explains how a livelihood is secured. It includes human, natural, financial, physical and social capital (Fang et al., 2014). Through the informal economy individuals are able to use their human capital to engage in economic activities, which enables them to access an income. Low-income groups mainly rely on the informal economy to secure their livelihoods (William, 2014). Thus, in the context of this research, a livelihood refers to meeting basic needs through engaging in a livelihood strategy.

Achieving a livelihood enables the poor to improve their standard of living and reduce household poverty. Different forms of poverty, including absolute poverty and relative poverty, define those that live in informal settlements. Vulnerability is characterized by deprivation, being at risk, insecurity, and lack of access to a stable income (Olajude, 2015). In the context of this study, vulnerability refers to low-income groups in informal settlements that are exposed to risk. Moreover, their limited means to access resources render them more prone to vulnerability. Woman and children are the most vulnerable groups in society (UN, 1999) and they are often subjected to violence and abuse (Bengali Delegate, UN Security Council, 1999, cited in Carpenter, 2005). They are vulnerable due to exclusion from the socio-economic mainstream and decision making processes as well as unequal access to resources (UN, 1999). It is thus difficult for women and children to satisfy their needs. However, innovative strategies to access income, such as using their dwelling as an economic asset, enables vulnerable members of society and informal settlement dwellers to reduce their levels of vulnerability and meet their livelihood needs.
3.3 Theoretical Framework

3.3.1 The Sustainable Livelihoods Approach

The SLA was proposed by Robert Chamber in 1980. Its principles were embraced by the 1987 Brundtland Report published by the World Commission on Environment and Development, which set out guiding principles for sustainable development. The SLA was further developed by Chambers, Conway and others in the 1990s (DFID, 2002, cited in Petersen and Pedersen, 2010). In 1992, the sustainable livelihood concept was expanded to advocate for poverty reduction by the United Nations Conference on Environment and Development (Krantz, 2001) and it gained traction among development agencies such as DFID. The framework aims to craft a holistic response to reduce poverty in developing countries. However, it goes beyond simply addressing poverty and seeks to understand people’s livelihoods and the factors that affect them (Olajid, 2015). The SLA has been adopted by non-governmental organizations (NGOs), research institutes and donors (Ashly and Carney, 1999). The 2030 Agenda on Sustainable Development advocated by the United Nations adopted some of the principles of the framework that includes the poor in development decisions and embraces the dimensions of sustainable development (UN, 2015).


“A livelihood comprises the capabilities, assets (including both material and social resources), and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.”

The SLA is a practical intervention to alleviate poverty through development that focuses on what matters for the poor, their different cultures and how their livelihoods are affected. It emphasizes the need for a participatory approach that is people centred and recognizes people’s abilities and assets that can be developed to help them improve their lives (Petersen and Pedersen, 2010). The SLA focuses on sustainable livelihoods as a means and as an end (Krantz, 2001). As a means, a sustainable livelihood examines the processes required to achieve a livelihood. Self-organization enables the poor to use various assets to devise a livelihood strategy. Sustainable livelihoods as an end is the income or benefits achieved to meet basic needs. Therefore, in the context of this study the SLA, highlights the various livelihoods strategies that the urban poor engage in as a means of making a living.
For people to make a living, they must have access to assets. According to Chamber and Conway (1999), tangible and intangible assets help people to achieve a livelihood. The former refer to natural and other resources, while the latter involve claims and access (Krantz, 2001). When the urban poor have access to these assets, they are able to achieve a livelihood using different strategies.

The SLA highlights that, through self-organization, the poor can deal with stress or poverty by organizing their assets to derive a livelihood strategy (UN, 2015). It thus assists in framing the poor’s efforts to address their own state of poverty. The SLA places the poor at the forefront of development to ensure that their priority needs are addressed. In the context of this study, the SLA assists in understanding the activities that the residents of informal settlements engage in and the nature of the dwelling as a means as poverty alleviation. In this regard, in the context of this study the SLA assist to conceptualise how the informal dwellers address their own state of poverty.

The SLA framework is a model that assists in analysing and understanding the different vulnerability contexts that affect the poor and their response to poverty, to reduce vulnerability through capital assets. The vulnerability context refers to the external environment that people have no control over. Such contexts include poor living conditions, natural disasters, inflation and population trends. These challenges impact on the ability to meet their basic needs. The SLA seeks to identify people’s strengths in negative environments. It is based on the assumption that people need assets to achieve a livelihood strategy. In this regard, the SLA highlights the five capitals model to derive a livelihood. These include human capital, social capital, natural capital, physical capital and financial capital (see Figure 3.2 below).
The SLA framework assists in identifying the factors that constrain the poor and the different capital assets they have to derive a livelihood strategy. Human capital refers to attributes such as knowledge, ability to work and good health. Social capital includes resources like community networks and membership of an organization, while natural capital refers to natural resources such as trees, rivers and land. Physical capital describes the basic infrastructure and consumer goods that are required to support the livelihoods that people seek. Finally, financial capital refers to financial resources.

The transforming structures and processes in Figure 3.2 refer to organizations and policies that frame poor people’s livelihoods. Organizations enhance and support livelihoods through participation, self-help groups and programs. As shown in Figure 3.2, livelihood strategies are the different activities that the poor engage in by accessing capital assets. Access to livelihood assets and support from transforming structures and processes enable the poor to engage in a combination of activities and different choices to achieve their livelihood goals. The livelihood strategies that people engage can have a positive or a negative outcome. Positive outcomes include more income, increased well-being, reduced vulnerability and improved food security (Globalisation and Livelihood Options of People Living in Poverty (GLOPP), 2008). The SLA
framework advocates for capital to be converted as a positive strength which will allow for a positive outcome.

The SLA framework thus enables a detailed investigation of how the poor operate within marginalized environments. In this study, it is used to understand how people respond to poverty with the use of their dwelling to accommodate economic activities and how they respond to the challenges that arise. Therefore, the SLA approach highlights, how the poor through the efforts of self-organization can achieve a livelihood strategies.

The SLA is not simply an analytical tool; it focuses on the main factors that need to be addressed by development programs in order to achieve poverty reduction. It avoids unguided development as such development cannot address the core problems confronting the poor (Morse and McNamara, 2013). The SLA highlights the core principles that need to be incorporated when developing poverty intervention strategies. Table 3.1 below sets out these core principles.
**Core Principles of SLA**  
**How the principle applies**

<table>
<thead>
<tr>
<th>Core Principle</th>
<th>How the principle applies</th>
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<tbody>
<tr>
<td>People-Centred</td>
<td>Sustainable poverty eradication can only be achieved when development agencies fully understand what people need and acknowledge that there are different groups in society. Development should not compromise the livelihoods of the poor.</td>
</tr>
<tr>
<td>Responsive and Participatory</td>
<td>The poor must be at the forefront of development in identifying and addressing their livelihood priorities.</td>
</tr>
<tr>
<td>Multi-Level</td>
<td>Working at multi-level ensures that activities at the grassroots’ level inform policy development and creates an enabling, effective environment. Institutions at the macro level must create platforms that enable people to build their own strengths.</td>
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<tr>
<td>Constructed in partnership</td>
<td>Creating partnerships between the private and public sectors.</td>
</tr>
<tr>
<td>Sustainable</td>
<td>All four pillars, social, economic, environmental and institutional, should be included to eliminate poverty.</td>
</tr>
<tr>
<td>Dynamic</td>
<td>Development agencies should recognize the dynamic nature of livelihoods strategies and be flexible to respond to changes in people’s situations.</td>
</tr>
</tbody>
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Table 3.1: Sustainable Livelihoods Principles (Source: Ashley and Carney, 1999:7)

**Self-Reliance**

Self-help and mutual help enable the urban poor to address the challenges that they face such as a lack of adequate housing. Rahman (cited in Fonching and Fonjong, 2002) defines self-reliance as the ability to use one’s own resources to achieve a certain objective. From this perspective, it can be argued that the urban poor use available resources and self-organization to achieve certain objectives. Self-organization enables the poor to explore the skills they possess through engaging in various activities to achieve a positive outcome. Fonching and Fonjong (2002) note that it includes skills and attitudes that people possess to satisfy their basic needs.

The SLA highlights that the poor are negatively affected by marginalized environments characterized by poor living conditions, natural disasters, economic hardship and illness (Asian Development Bank, 2017). In such environments, they are able to organize their capital assets...
to engage in livelihood strategies as a means to reduce poverty. Development efforts and policy frameworks should thus provide for community participation that will motivate the poor to improve their performance (Peterson and Pedersen, 2010).

Critiques of the SLA

In implementing the SLA, development organizations have highlighted some of its shortcomings. These are discussed below.

Political power

The SLA does not identify how political relations can be addressed in efforts to alleviate poverty. Political power and relations in communities can be obstacles in accessing livelihood resources (Olajide, 2015). Which limits the distribution of resources amongst in communities. Baumann (2000) notes, that people can achieve a livelihood through staking a claim to various resources. However, this is difficult to achieve when such resources are controlled by the politically connected.

The poor lack power and influence in decision-making in communities (Carney, 2003). This limits their participation in development projects and hampers their capacity to access resources. The Asian Development Bank (2017) argues that the SLA does not pay sufficient attention to this issue, while Carney (2003) notes that political power relations and conflict must be addressed and resolved in development projects influenced by SLA principles.

Gender

Some scholars have also argued that the SLA neglects that issue of gender inequality in development (Ashley and Carney, 1999). Gender equality is a multi-faceted concept which involves legal, political, social and economic opportunities (Masika and Joekes, 1996). Pasteur (2002) argues that livelihood needs for men and women differ due to their different roles and responsibilities within the household. They are thus likely to adopt different strategies to address these needs. Furthermore, patriarchal relations make it difficult for women to fulfil their needs.

The challenges confronting women include limited access to education, occupational segregation and socially constructed notions of gender. Furthermore, women generally earn less than men and employers prefer to employ males (Pasteur, 2002). These challenges limit women’s capacity to secure their livelihoods.
It is against this background that Pasteur (2002) argues that the SLA should address the gender issues that hinder development in communities. He adds that organizations involved in development should conduct a gender analysis prior to formulating a development strategy in order to ensure that women benefit equally from any intervention.

**How the SLA applies to this study**

The SLA is a blueprint for development which identifies the various livelihood strategies that the poor engage in, to achieve a livelihood. Masika and Joekes (1996) note that it draws attention to the various activities that the poor engage in, which are not recognized in the formal definition of work or employment. Furthermore, it helps to highlight the various challenges that the poor face in reality and the assets and capabilities that they possess to address their needs.

This study sought to analyse the various economic activities that the informal settlement dweller engages in using the dwelling as an economic asset. The SLA assisted in identifying such livelihood strategies. The core aim of the SLA is to enhance people’s livelihoods (Olajide, 2015). Furthermore, it highlights that assets are an important ingredient is securing a livelihood. Finally, the SLA goes beyond the formal sector to include the informal economy. It was thus an appropriate framework for this study. Kwa-Mathambo Informal settlement is a community that is surrounded by poor living conditions and unemployment. Adopting the SLA framework the research will be able to capture how the dweller response to poverty with the use of the informal dwelling to sustain a livelihood.

**3.3.2 The Culture of Poverty**

In 1956, Oscar Lewis introduced the notion of a sub-culture within poor communities (Gajdosiene, 2004). Lewis (1966) framed informal settlement dwellers as belonging to such a sub-culture. Culture in this regard refer to the poor’s behavior in relation to poverty. The Culture of Poverty focuses on the sub-culture that exists within poor communities. Lewis conducted a study in small communities in Mexico to understand the behavior and traits that exist within such communities. He maintained that the fact that the poor are victims of poverty is their own fault as they lack motivation and have a weak work ethic. Lewis (1966) added that the poor suffer strong feelings of helplessness, marginalization and dependence and that these traits are passed from one generation to another (Lewis, 1966, cited in Coward et al., 1973). This gave rise to the theory of the Culture of Poverty. It is based on four dimensions
which depict the 70 traits described by Lewis (Lewis, 1966). The four dimensions are (Coward, 1973):

1. The attitude, values and character structure of an individual.
2. The relationship between the sub-culture and the large society.
3. The nature of the slum community.
4. The nature of the family.

The capitalist system has caused a chronic cycle of unemployment and underemployment in poor communities. In such a system, the dominant class accumulates wealth and property (Gajdosikiene, 2004), while the poor can do little to improve their condition that is due to their lack of motivation and helplessness (Lewis, 1966). The poor are thus not psychologically geared to take advantage of opportunities that arise to improve their condition (Lewis, 1966, cited in Harry and Reed, 1996). Lewis (1966) adds that socialist countries such as Cuba do not adopt the Culture of Poverty and that those that have adopted a capitalist system may adopt a revolutionary approach to suppress this culture.

**Critiques of the Culture of Poverty**

Various scholars have contested the theory of the Culture of Poverty (Valentine, 1969). Drawing on the example of apartheid South Africa, Harvey and Reed (1996) note that it underplays the challenges confronting the poor when they are deprived of the means to improve themselves. Apartheid laws were designed to marginalize the black majority and when the democratic government came to power, the marginalized group inherited poverty. Thus, poverty was not of the poor’s making, but was caused by government policies.

Valentine (1969) cites Gojdosikiene (2004) who argues that the theory of the Culture of Poverty fails to identify why poverty exists and does not identify practical solutions to eradicate it (Harvey and Reed, 1996). However, Valentine (1969) adds that government institutions should formulate innovative strategies to encourage the poor to change their mind set about poverty.

Wilson, cited in Harvey and Reed (1996) argues that the traits of poverty should not be the main focus and that public policy should prioritize programs that address the socio-economic situation of the poor. Gorski (2008) concurs and notes that educating the children of slums could go a long way in addressing inequality and segregation.
The Culture of Poverty’s application to this study

The Culture of Poverty was applied in the case study of Kwa-Mathambo informal settlement. While poor living conditions are the order of the day in Kwa-Mathambo, the implementation of Emergency Housing and Re-blocking has improved living structures and service delivery. It can thus be argued that the Culture of Poverty helped to frame government institutions’ perceptions of informal settlement dwellers. However, the study also argues that, contrary to the Culture of Poverty, low-income groups living in Kwa-Mathambo have taken advantage of service provision to address their livelihood needs.

Given South Africa’s history, as well as increased rural-urban migration and the shortage of housing and basic services, it can be argued that the poor are not to blame for poverty. Strategies such as Emergency Housing and Informal Settlements Upgrading seek to eradicate poverty and improve living conditions. In this regard, the study might produce findings that contradict the Culture of Poverty.

3.4 Chapter Summary

The purpose of this chapter was to introduce the relevant concepts that will be use throughout this study, the Conceptual framework. The concept that are provided are dwelling, dwelling as an economic asset, livelihoods and vulnerability, informal settlement dweller and informal economy. In addition, the chapter presents a theoretical framework consists of theories that inform this study. The chapter presents two theories SLA and Culture of Poverty. The theories are defined and a brief background of the theories is presented. The two theories highlight the different responses that poor have towards poverty. The SLA highlights that people have asset that allow them to response to different vulnerability contexts. Whereas, the culture of poverty highlights how the poor psychological adopt the culture of poverty and as a result fail to take advantage of economic opportunities. The chapter concludes with critique and a discussion how the two theories present and relevant to the study.
Chapter Four: Literature Review

4.1 Introduction

This chapter reviews literature that informs this study, the purpose of this chapter is to discuss the various studies presented by various scholars that have investigated the use of the informal dwellings as an economic asset. In addition it aims to critically review current literature on urbanization and informal settlements in general. It can be argued that the use of the dwelling as a productive asset results in poverty reduction, decreasing of vulnerability and income generation to meet household needs and making them self-reliant.

This chapter will also highlight various precedent studies that have identified informal dwellings as an economic asset (e.g. in Indonesia and Nigeria). The precedent studies will serve as evidence that the use of the dwelling as an economic asset is practised globally. The chapter will conclude with identifying some of the support approaches that have been implemented in each of the countries presented.

4.2 Rural-urban migration

Various factors cause for human movement such as migration from rural to urban areas. Many households migrate in the hopes of improving their income by accessing economic opportunities (Awumbila et al., 2014). African countries in recent years have been experiencing a high rate of rural-urban migration (Olajide, 2015). It can be argued that urban areas offer more opportunities and services than rural areas. Thus increasing the rate of over the years in South Africa, urbanization gathered pace from the 1970s (Mears, 2007).

As more people move into urban areas, demand for jobs, housing and basic services increases. Urbanization has also resulted in the growth of the informal economy where migrants that might not have the documentation or skills required to work in the formal economy (Kellett and Tipple, 2000) eke out a living. Informal economic activities include hawking, manufacturing and a variety of services. Self-employment offers a means of survival in the urban areas (Kinyanji, 2014). According to Kinyanji (2014), the informal economy is part of the urban culture in developing countries and where there are informal settlements, the informal economy is sure to exist.

Informal settlements are considered to be on the lowest rung of the housing hierarchy in urban areas (Rust et al., 2009). Informal dwellings act as a foothold into these areas by allowing households to access services, and economic and social opportunities. Engaging in economic activities in the informal and formal economy, enables the urban poor to improve their
livelihoods (Sinai, 2001). This suggests that, for migrants from rural areas, the need for shelter is mainly linked to economic opportunities. According to Bayat (2007, cited in Ayenagbo and Gondwe, 2013), informal settlements are spaces that offer access to economic opportunities to accumulate wealth. He adds that residents of these settlements can manipulate space in the dwelling to accommodate income generating activities. They thus use the dwelling as an economic asset. Moreover, it can be argued that when rural urban migrants cannot access the formal sector, informal settlement and the informal economic become an alternative. The rural-urban migrants take advantage of the opportunities offered by urban areas. Through efforts of self-organization the urban poor and rural urban migrants build informal settlements to access shelter and create wealth through the informal economy.

4.3. History of the informal dwelling as an income generator in South Africa
The discovery of minerals in South Africa in the 1870s led to economic growth and transformation. The development of the mining and manufacturing industries in cities such as Johannesburg and Kimberly led to increased demand for labour and the recruitment of African labour. African people living in the rural areas were also attracted to the city due to unemployment and poverty in their places of origin (Malik, 2015). Between 1870 and 1922, measures were adopted to control the influx of black people to the cities. The Housing Act No. of 1920 enabled municipalities to build housing for African workers. This led to the establishment of the Central Housing Board, which administered the housing program (Nelle et al., 2009), thus increasing the number of Africans moving permanently into the city.

Informal settlements offered an alternative form of housing within the city for poor labour migrants. According to Mears (2007), population growth, the housing shortage and poor urban management in Johannesburg forced people to illegally occupy areas such as Orlando, Pimville, Dube, Newclare and Alexandra. These areas became informal settlements that served Black African labourers looking for employment and those that worked in the city.

Bonnet and Venkatesh (2016) observe that the survivalist strategies that low-income groups practise give rise to the informal economy. In shantytowns, the urban poor engaged in various survivalist activities such as shebeens that served home brewed beer to men and women that lived in hostels (Rogerson and Hart, 1989). Rogerson and Hart (1986) note that they were a means of survival for women in the city who were known as Shebeen Queens (Rorich, 1989). They were established within the space of the informal dwelling and were thus associated with the informal economy. Furthermore, they operated outside of the law as African people could
not formally register a business. It was easier to open a shebeen in the shantytowns than in the formal townships that were more strictly regulated.

In essence, the function of the dwelling allowed the dwelling to function as place to generate income, where beer was brewed where it was sold. Rarch (1989) argues that the shebeens in informal settlements were symbols of social and cultural interaction within the community. However, they posed a threat to the local beer halls run by the municipality.

The apartheid regime adopted strict laws to control the movement of African people to and within the country’s cities. However, conditions in the ‘homelands’ set aside for Africans forced many to migrate in search of economic opportunities. Black labourers were not regarded as permanent residents in the city; hence, the development of informal townships. The economic system favoured the white population and black labourers were exploited and denied access to the city and its economic and social activities. Many turned to informal economic activities in order to make ends meet. The repeal of apartheid laws when the democratic government came to power resulted in increased urbanization. The government has been unable to keep up with housing demand and informal settlements have continued to grow.

It can be argued that the urban areas have always been a place of opportunities, even under the strict laws of apartheid. Migrants would reside in the shanty town to take advantage of the economic opportunities. Therefore, it can be argued that the shanty town offered accommodation and economic opportunities for marginalised to engage in economic activities such shebeens to generate household wealth.

4.4 The informal dwelling as an income generator
The dwelling is a temporary structure used for human habitation and is also a place of belonging. According to Cuba and Hummon (1993), a dwelling is a place with a sense of attachment and the feeling of being at home. Furthermore, it is associated with emotional ties and shared interests amongst its users. The dwelling services as a mono-functional asset for the household as it is a place of privacy for family life and a place to reside in (Cuba and Hummon, 1993). Therefore, it can be argued that it enables the household to achieve spirituality unity (Easthope, 2004). For the informal dweller, the dwelling is associated with their daily survival (Hunter and Posel, 2012). Moreover, it plays a major role in poverty reduction as it is used for income generating activities. Therefore, it can be argued that the informal dwelling is a productive asset through its function in the informal economy. Income generating activities include the establishment of home-based businesses.
The urban poor can use the dwelling as a tool to increase household income and improve their well-being and standard of living (Stoffler et al., 2014). However, such a dwelling lacks security due to its poor condition and insecurity of tenure. It thus cannot serve as collateral for a loan (Durand-Lesserve, 2006). Nonetheless, it can be considered as an economic asset, where the dweller derives economic benefit. The dwelling as an economic asset refers to the household’s capability of deriving an income from its use. Rust et al. (2009) state that housing can offer potential income generation through HBEs, production, services and rental accommodation.

The phenomenon of informal settlements is not new to developing countries. The history of informal settlements in South Africa dates back to the colonial era (Marx and Charlton, 2003). The use of the informal dwelling as an income generator is also not a new concept. Kachenja (2005) notes that an estimated 20-40% of properties in low-income neighbourhoods were used for income generating activities in 2005. Furthermore, scholars such as Tipple (2005) highlight that the informal sector is an important sector in developing countries that confront increased demand for jobs and goods and services (Tipple, 2005). This sector enables various economic activities to take place, such as the use of the dwelling as a means of generating an income and offering alternative access to goods and services.

Marsoyo (2012) argues that the activities that take place within the dwelling give meaning to those that reside there. The dwelling can thus accommodate various livelihood strategies that enable informal dwellers to survive. Strassmann (1987) highlights that the use of the dwelling as an economic asset is a family mode of production. The resources available to the household such as land, the dwelling, labour and capital are used for the income generating activities. Furthermore, economic activities within the informal dwelling are a household effort. The informal dwelling can thus be of a valuable asset to the household.

Moser (2012) notes that the income generating activities that take place within the dwelling include rented out accommodation, home-based production and other activities. The particular use depends on the resources available to the household. Tipple (2004) argues that the use of the dwelling for income generating activities, is an essential survival strategy for low-income households. Furthermore, it is a means used by the poor to bridge the gap between unemployment and the formal sector (Huba and Yonhannes, 2015).

The dwelling is one of the few resources available to the poor. Tipple and Kellett (2000) note that the urban poor devise innovative strategies to survive. The dwelling offers economic
opportunities to meet basic needs (Marsoyo, 2012). Lizarralde and Massyn (2008) maintain that the income generated through the combined efforts of household members is also used to progressively improve their housing.

**The use of the informal dwelling for home-based enterprises (HBEs)**

Strassman (1987) defines an HBE as economic activities that take place within the dwelling rather than in a commercial or industrial area (Strassman, 1987). Furthermore, it refers to paid work conducted in a residential dwelling (Smit and Donaldson, 2011). Tipple and Kettelle (2000) argue that the use of the dwelling as a home-based business enables low-income groups to make economic linkages between the dwelling and the enterprise. There are four categories of HBE, namely, sales, commodity production for selling, services, and social activities which take place within the dwelling’s location (Kettel, 2003 cited in Kachenja, 2005).

The use of the dwelling as an HBE includes using the plot and the spatial setting within the dwelling. Depending on the nature of the income generating activity, it can take place indoors or outdoors (Kachenje, 2005). The HBE is incorporated within the dwelling; indoors, this includes using a room or section within the dwelling to run the HBE. Furthermore, it includes sharing floor space, whereby the kitchen or living room is subdivided to accommodate the HBE. Outdoor HBEs include the use of a veranda. Kechenja (2005) argues that, the dwelling undergoes a housing transformation in order to prepare for the HBE. Housing transformation refers to the alteration or extension of the space. Extension involves construction activity using various types of material, while alteration refers to internal changes without any structural changes to the dwelling (see Figures 4.1 and 4.2). The informal dwelling is subdivided or another room is added to accommodate the HBE.
It can be argued that, in order for the informal dwelling to function as an economic asset, the dwelling space is compromised to accommodate the economic activities. It thus represents a
place to reside and to work. The HBE also provides the financial means to improve the dwelling. Tipple and Kettell (2000) argue that living conditions in informal settlements would be far worse were it not for HBEs. Furthermore, the goods and services rendered by informal dwellers assist the broader community by providing easy access to daily necessities and saving transport costs (Marsoyo, 2012). Finally, many HBEs are run by women, thus benefitting vulnerable members of society and enabling them to meet their household’s needs (Lawanson and Olanrewaju, 2012).

**The use of the informal dwelling as a place for rental**

The use of the informal dwelling as a place for rental is a common practise in most developing countries. According to Brueckner (2013), shack lords are organizers that manage the settlement in the interests of residents. In addition, they are rent seekers that collect money from squatters as a form of income. Shack lords not only generate an income, but they provide cheap and accessible accommodation to the urban poor and seasonal urban dwellers. The dwelling as a place of rental has been highlighted by scholars such as Olajide (2012), as one of the activities that are consisted to be an HBE. Tipple (2005b; 2000, cited in Marsoyo, 2004) notes that, unlike other HBEs, this type of business does not change the appearance of the dwelling. The housing market consists of a formal and informal sector. The formal market is characterized by legal frameworks and financial mechanisms (Gunter, 2014). The informal rental market is characterized by poor quality housing that is easily accessible and is not governed by legal frameworks such as municipal by-laws (Gunter, 2014). Access to rental accommodation in informal settlements is by a virtue of a verbal agreement with no formal documentation. Informal rental housing serves a critical need for housing for the poor in urban areas. In addition, it is a platform that is used by the urban poor to generate additional income. Furthermore, informal housing rental fills the gap created by the housing shortage (Gunter, 2014).

The informal rental stock enables poor migrants to gain a foothold in the city until they can obtain a formal job. Some migrants are on contract and thus require seasonal accommodation (Naik, 2015). Naik (2015) highlights that tenants are mostly younger, single people or couples with children. Informal dwellers that provide rental space within the informal settlement are known as informal landlords.

Kumar (1996, cited in Naik, 2015) identifies two types of landlord, petty bourgeoisies and petty capitalist. The former are landlords that have the option of renting out space in order to enhance
their income and improve their dwelling incrementally. In contrast, the petty capitalist has more buildings and adds more dwellings in the form of back yard shacks. The use of the informal dwelling as a place for rental may entail the owner vacating the dwelling or constructing an extra room (Gunter, 2014). Lonardoni and Baloyi (2016) add that some informal dwellers also purchase informal structures for rental purposes. Where landlords have other dwellings within the informal settlement, this is referred to as shack farming. Lonard and Bolay (2016) highlight that there is a growing need for rental housing. The informal dwelling thus has the potential to be used as a productive asset.

**The informal dwelling as a place for production**

Tipple and Kellett (2000), highlight that the dwelling serves as a mono-functional space that can be used beyond its primary function as a market place, a production space, an entertainment centre or a financial institution. Using the informal dwelling as a place for production, involves the informal dweller producing goods to be sold outside the dwelling. The dwelling serves as a place for preparation of food, crafts, clothing, perfume, furniture and other goods (Marsoyo, 2012). The space is rearranged to accommodate the economic activity within the dwelling. Storage space is also required. Marsoyo (2012) notes that the use of the dwelling as a place for production requires some skills such as using a sewing or shoe repair machine or cooking.

**4.5 Critiques of using the informal dwelling as an economic asset**

Critics of the use of the informal dwelling to generate an income note that while this might offer some economic benefits, it also creates various challenges. These include social, household, waste and economic challenges. The nature of the challenges depends on the type of economic activity that takes place. Tipple (2005) notes the small scale businesses can have a negative and positive outcome. Therefore, it can be argued that the use of the informal dwelling is not an ideal to accommodate economic activities.

Waste management is a major challenge in informal settlements and uncontrolled dumping creates health and safety hazards (Tipples, 2005). The waste generated by economic activities carried out within the dwelling might include inflammable substances, disinfectant and detergents that not only threaten the health and safety of the household, but the community at large. Therefore, it can be argued, poor management system contributes to the poor waste management in informal settlements.

The physical environment impacts on people’s health and productivity. Informal settlements in developing countries are poorly serviced and congested (Olajide, 2015). Housing quality
includes its non-physical and physical condition. Using the dwelling as an economic space impacts on the non-physical housing condition with respect to air circulation, light, cleanliness, odours and noise (Marsoyo, 2012) Furthermore, Marsoyo (2012) highlights that economic activities that involve cooking or preparing goods using harmful chemicals can have a negative effect on households, including respiratory problems such as asthma and bronchitis.

The primary function of the dwelling is to operate as a residential space. Privacy problems arise when it is used as an economic asset to produce goods or services. Newell (1995) states that the level of privacy in a dwelling refers to the level of control of personal space. When the dwelling is used as space to generate income, access to the person’s space is not only open to the household, but the community. Using the dwelling as place to practise economic activities thus results in households having limited control of their personal space. Similarly, Altman (1975) cited in Fooddy (1984) highlights that the privacy is determined by the amount of contact with other people; it is selective control of access to self or other groups. When there is limited selective control of access to the dwelling, the level of privacy is reduced. Therefore, it can be argued that using the dwelling as an economic asset can affect the level of privacy and access to the dwelling.

4.6. Precedent Studies
4.6.1 Indonesia: Yogyakarta

Location

Yogyakarta, also known as Jogja, is a popular tourist city in Indonesia. Indonesia is made up of 17 480 islands (see Figure 4.3 below) and is one of the most populated countries in the world. Most of its inhabitants are poor. Declining rural livelihoods have resulted in high rates of rural-urban migration (Marsoyo, 2012). Yogyakarta is known as a traditional city; hence its attraction to tourists. Yogyakarta city covers an area of 3 256 ha and it is divided into 14 sub-districts. The tourist influx has attracted migrants in search of economic opportunities. Trade, restaurants, crafts and transportation are the dominant economic activities.
Socio-economic Status of Yogyakarta

The economic crisis suffered by Indonesia in 1996 resulted in high unemployment rates and steep increases in food prices (Park, 2012). In response to these conditions, many of the urban poor turned to survivalist activities such as HBEs using the dwelling as means of generating income. The survival strategies are inspired by traditional knowledge that the poor engage in.

Informal settlements in Indonesia are known as kampungs — small, almost self-sufficient communities that usually hug a river. The kampung in Yogyakarta is characterized by sub-standard structures and impoverished conditions (Marsoyo, 2012) (see Figure 4.4 below). The poorest part of Yogyakarta, it is close to a large market that serves both tourists and those that live in the city. Its residents are thus well-placed in terms of using their dwellings as a place to trade.
The informal dwelling as an economic asset in Yogyakarta

The community that lives in the kampung in Yogyakarta engages in various activities using the dwelling. Marasoyo and Antuli (2014) note that these informal HBEs are inspired by residents’ traditional or own knowledge. Access is easy as there is no need for formal documentation. The communities are Kampung support the goods and services that are offered by the settlement. The HBE that exist within the community allows the community to get cheap and accessible goods and services. Access to resources in urban areas is defined by the level of income or cash that is generated (Marasoyo and Antuli, 2014). Given that most families in Yogyakarta are poor, they use the informal dwelling as an economic asset to generate income and thus reduce poverty. The various activities that the informal community of the kampung engages in are shown in Figures 4.5 and 4.6 and Table 4.1.
Figure 4.5: Examples of the use of the informal dwelling as an economic asset in the Kampung in Yogyakarta (Source: Marsoyo, 2012)

Table 4.1: The diverse HBEs in the kampung in Yogyakarta. (Source: Marsoyo and Astuli, 2014)
Supporting the informal dwelling as a place to generate income

The use of the informal dwelling as an economic asset is socially accepted and in countries such as Indonesia, the government provides support for businesses of this nature. From 1996 to 1998, Indonesia experienced increased urban poverty (Marsoyo, 2012), prompting the governments to craft policies to address the situation. The government plays a key role in influencing the use of the informal dwelling as an economic asset to assist the poor to improve their living conditions and housing. In addition to allow the poor to create wealth with resources available to them.

The Indonesian government has adopted a three-pronged strategy to alleviate poverty, with all its interventions adopting a bottom-up approach. The overall objective is to empower local communities to achieve long-term poverty reduction. The three strategies are family-based social assistance, community-based poverty alleviation and micro empowerment-based poverty reduction (Marsoyo, 2012). All three clusters are recognised at policy level as a strategy to eradicate poverty. In terms of micro empowerment, two programs have been successfully implemented, namely, the KelompokUsaha BersamaTakir (KUBE-FM) and Usaha Sosial Ekonomi Prdukitif Keluanga Miskin (USEP-KM), (Marsoyo, 2012). These programs extend...
capital assistance to the poor to establish and develop businesses. The KUBE-EM and USEP-KM programs promote inclusiveness by bringing different income groups together. They focus on small scale businesses, especially HBEs. The local municipality organizes an annual exhibition and markets the products produced by the poor. The programs have been successful in expanding small scale businesses at grassroots levels.

Yogyakarta, experiences the common trends of urbanization and increasing rate of informal settlement. The city of Yogyakarta has capture how the skills of the poor and their effort to reduce household have been supported by local authorities and community. The community of Yogyakarta regard local home-based enterprises as access to local cheap goods and services.

4.6.2 Nigeria: Lagos

Location

Nigeria is located in West Africa along the Atlantic Ocean and is bordered by Chad and Cameroon (see Figure 4.8). It has one of the fastest growing populations in Africa and its cities experience high rates of urbanization. While Lagos is the smallest city in terms of its land area, it has the highest population density. Located in south west Nigeria, it has experienced rapid economic growth (Olajide, 2011). While this should have had a positive impact on poverty reduction, Olajide (2011) highlights that sustainable economic growth requires meaningful participation by the poor as well as their empowerment. In Lagos, rapid economic growth has fuelled inequality, resulting in the spread of informal settlements.

Figure 4. 7: Map of Nigeria and Lagos (Source: Google Images, 2017).
**Socio-economic status of Lagos**

Nigeria has one of the fastest growing economies in Africa. The discovery of oil led to an economic boom in the 1970s, enhancing economic growth and creating many jobs in the oil sector (Olajide, 2012). However, the Nigerian economy is non-inclusive and anti-poor, resulting in high levels of inequality (Olajide, 2012). Figure 4.9 below shows that, despite a healthy growth rate, unemployment has soared.

![Figure 4.8: Unemployment and GDP growth rates in Nigeria (Source: Olajide, 2011)](image)

Lagos is home to 65% of Nigeria’s industries and the Lagos Metropolis attracts rural migrants. Population growth has led to urban expansion and growth, as well as increased poverty, overcrowding, a shortage of housing and the growth of informal settlements that are characterized by crime, air pollution and poor sanitation. Many of the poor survive by engaging in informal sector activities.

Deep-seated socio-economic inequalities are evident in Lagos’ settlement patterns and the economic opportunities available. As noted previously, the majority of the population relies on the informal economy. Home-based enterprises are an important part of this growing sector.

**Informal Settlements in Nigeria**

Nigeria experiences a high rate of population growth in cities such as Lagos. Omolabi and Adebayo (2013) note that due to the population growth there is a demand for new urban land and housing. In addition, Lagos is faced with low economic growth, unemployment, financial
weak municipalities and poor governance and an increasing population growth. Therefore, with the existence of such challenges, informal settlements are perpetuated in Lagos. Informal settlements are characterised by poverty, unemployment and vulnerability to crime (Olajide, 2012). The informal dweller rely on the informal economy to engage in survival strategies to sustain a livelihood

**The informal dwelling as an economic asset in Lagos**

It is estimated that 51% of men and 54% of women in Lagos survive on less than US$1 per day (Olijde, 2012). The informal dwelling play a vital role in providing of the unemployed (Otekhile and Mattew), 2017. It is made up of small scale businesses with a high portion of street trading. The informal dwelling as an economic asset is common, with poor households using their dwelling as a place for rental or production. Hawking is prohibited on the streets of Lagos, adding impetus to this trend. In addition it is problematic and is the result of overcrowding, regarded as an inappropriate way of earning a living and generating access litter (Otekhile and Mattew, 2017).

HBE in Lagos make 61% of the informal economy. Although informal trading is illegal in Nigeria, the poor rely on the informal economy to engage in survival strategies (Lawanson and Olanrewaju, 2012). They are consider to be the easiest type of informal economy enterprise. The use of the residential space as a place for trade, limits travelling expenses (Lawanson and Olanrewaju, 2012). Thus, allowing the dweller to engage in survival strategies that allow the poor to reduce household poverty. HBE are more predominant in low income areas than high income areas, in Lagos. In this regard, the dwelling in a poor household’s becomes a multifunctioning unit that can accommodate livelihood strategies and residential uses.

The informal economy is not supported by policies and regulation in Nigeria. However, informal sector continues to dominate and grow. Therefore, it can be argued that even under strict regulation the informal economy will always exist. The informal economy allows the poor to generate income and sustain a livelihoods. There various livelihood strategies that informal dwellers engage such, trading food, services and small tuckshops. The HBE creates a form of socialization with community and strengthens social ties. The use of dwelling as place to generate income is beneficial. Therefore, the informal sector plays a vital role in providing employment in developing countries even under strict regulations that prohibit the informal economy
Support of the informal dwelling as an economic asset

Social support is an important factor in successful use of the dwelling as an economic asset. Community buy-in is particularly important in Nigeria, where the government offers little by way of assistance. The notion of the informal dwelling as a mono-functional structure within the informal sector persists (Onyebueke, 2001). However, the informal economy is responsible for 70% of the employment opportunities created for the poor in Nigeria (Onyebueke, 2001).

The Nigerian government has adopted broad policies to alleviate poverty and promote economic growth (Olajide, 2011). While policies such as the National Economic Empowerment and Development Strategy aim to improve the lot of the urban and rural poor, a lack of community participation has undermined their effectiveness. Furthermore, the programs adopted do not consider the different assets held by the poor (Onyebueke, 2001). This is critical in ensuring the success of economic ventures that use the dwelling as an income generating activity. The community at large also benefits as these ventures provide affordable and easily accessible goods and services.

4.7 Housing Policy Initiatives for informal settlements in South Africa

The apartheid regime imposed racial and residential segregation and the black majority received inferior services to those provided for the white minority. When the democratic government came to power, there were high expectations of a better life for previously disadvantaged citizens. The post-apartheid government was challenged by increasing demand for government subsided housing. The slow rate of delivery has resulted in a substantial housing backlog (Huchzermeier, 2006). This section examines some of the policies adopted to not only provide housing, but to use it as an instrument to drive economic development.

The Housing White Paper (HWP) that was drafted between 1992 and 1994 (Huchzermeier, 2001) was spearheaded by an NGO, the National Housing Forum (Tissington, 2011). In addition the paper provided a framework post-apartheid housing delivery. Its vision informed policies such as the Reconstruction and Development Programme (RDP) (Tissington, 2011). The RDP was the African National Congress’s (ANC) manifesto and approach aimed at rectifying the past apartheid policy. The RDP policy was influenced by HWP, the policy provided mass subsidised housing. However, the notion of the dwelling as an economic asset was not given priority.

The RDP was a cross-sectional policy that was not specific to housing. It aimed to provide formal housing for the urban poor. However, the houses were built far from cities and economic
opportunities and many beneficiaries that previously resided in informal settlements moved back to the inner city in order to access such opportunities. In that regard it can be argued that the RDP did not benefit its beneficiaries.

Breaking New Ground (BNG) is a more comprehensive housing policy that advocates for the development of sustainable human settlements for the poor. The policy was implemented in 2004 by the Cabinet as a revised framework to develop sustainable human settlements (Tissington, 2011). The BNG housing policy focuses on designing housing programs that are aligned with policy objectives, seeks to create human settlements rather than providing shelter. Furthermore, it motivates for housing as an asset for wealth creation and empowerment (BNG, 2004).

Using the informal dwelling as a productive asset is a survivalist strategy. The informal dwelling is the one of the few resources that the urban poor have. While this is not a new notion among the urban poor, no specific policy focuses on the informal dwelling as a productive asset.

**Emergency housing**

The Emergency Housing program emanated from the BNG. It was adopted in terms of the Housing Act, Act 17 of 1997 (Tissington, 2011). It provides temporary housing in cases of emergencies such as fire and natural disasters, homelessness, people that live in dangerous conditions such as land prone to flooding. The program seeks to provide relief to people in urban and rural areas that find themselves in emergencies (Tissington, 2011). The temporary structures are built for affected dwellers while they wait for more adequate housing.

Municipalities apply for funding from the Department of Human Settlements to build emergency housing and provide services such as water, electricity and sanitation facilities. The floor area of an Emergency Housing unit varies from 24-30m². In this regard, it can be argued that emergency housing units provide a better structure and opportunities to access service provision which improves the lives of informal dwellers.

**4.8 Lessons learnt**

Based on the precedent studies, the use of the informal dwelling as a place to generate household wealth is a global phenomenon. However, different countries deal with informal settlements and the activities that take place within them differently. In terms of support for these informal businesses in order to promote micro-economic growth, while the Indonesian
government supports the informal economic activities that take place in informal settlements, in Nigeria, they rely on community support. South Africa’s approach to informal settlements is based on improving infrastructure and offering limited support for the survival strategies that the poor engage in. However, development that does not consider people livelihoods, disrupts their livelihood strategies.

4.9 Chapter Summary
This chapter reviewed the current literature relevant to the research topic. The informal dwelling is used by informal dwellers as a survival strategy as many are unable to obtain jobs in the formal economy. The activities include using the dwelling for an HBE, renting out space or using it as a place of production. Therefore, it can be argued that the informal dwelling can be used as a productive asset to meet basic needs and reduce poverty. While the informal dwelling is used as an economic asset in developing countries such as South Africa and Nigeria, governments have offered limited support for such activities. In Indonesia the HBE are influenced by indigenous knowledge. The government recognise HBE as the urban poor’s efforts to reduce poverty, hence the programs that are introduced in low income households.
Chapter Five: Data Presentation and Discussion

5.1 Introduction
This chapter presents, analyses and discusses the empirical data collected from the informants using qualitative methods. Twenty residents of Kwa-Mathambo informal settlement that use the dwelling as a place to generate income were interviewed. An official from eThekwini Municipality’s Business Support Unit and one from the municipality’s Human Settlements Support Unit were interviewed and three members of the CORC took part in a focus group discussion. The key informants from Kwa-Mathambo were selected through snowball sampling while purposive sampling was used to identify the municipal officials.

Thematic analysis was employed and the following six themes emerged: The respondent’s demographics characteristics; the different economic activities in the dwelling; the informal dwelling space as an economic asset and residential space; the uses to which additional income is put; interim services and the dwelling as an economic asset; challenges of using the dwelling for income generation. The data analysed in this chapter is represented in the form of images, pie charts, tables and information boxes.

Overview of data collection
Qualitative research methods were applied in this study in the form of semi-structured interviews and a focus groups. The research methods adopted was intended to answer the research question that have been identified in chapter one. The qualitative research methods was used to collect data in the form of household interviews and semi structure interview with Ethekwini Human Settlements, Business Support Unit and CORC. Thematic analysis is the research method used to analyse the data presented. The data collected was as per the methodology chapter. The empirical data that was collected is presented in themes which are derived from the data that was collected and research objectives. The data presented is in the form of tables, graphs and pictures.

5.2 Background
Kwa-Mathambo informal settlement was established in 1991 (CORC, 2012). The first settler came as a gardener to work for a neighbouring family and established his own settlement in order to be closer to work. Over the years, the settlement grew (CORC, 2012) and it is now one of the most densely populated informal settlements within eThekwini Municipality. Kwa-Mathambo informal settlement is located on the border of a residential area and the Red Hill industrial hub. These are pull factors for poor rural migrants seeking job opportunities in close
proximity to the settlement. Government intervention through the Emergency Housing Program and intervention by the CORC through Re-Blocking provided interim services to the community which include water, ablution blocks and pre-paid electricity.

The settlements is vulnerable to natural disaster and manmade hazards such as Fire. Two events of fire occurred in the community of Kwa-Mathambo destroying numerous settlement in 2013 and 2015. The settlement lacked municipal services such as electricity which exposed the settlement to a fire risk. Before the fire in 2012 Kwa-Mathambo was a clustered informal settlements as indicated in figure 5.1. The absence of such services within the settlement created difficult living conditions for the households that reside in the informal settlement. Thus posing risks for the informal dwellers created by lighting of candles using paraffin stoves. Due to the lack of electrical services in the informal settlement, in 2013 and 2015 a fire destroyed numerous settlements in Kwa-Mathambo. The settlement urgently needed government interventions.

Figure 5.1: Layout of Kwa-Mathambo Informal Settlement in 2012 before the fire (Source: CORC: 2012)

**Facilities and services**

The 2013 and 2015 fires destroyed half the informal dwellings in Kwa-Mathambo. In 2013, the eThekwini Human Settlements (EHS) Unit provided assistance through the Emergency
Housing Program (EHP) and in 2015, the CORC offered support with the assistance of the municipality through Re-Blocking Units. The EHP adopted a top-down approach, while the Re-Blocking project was implemented through a process of community participation. Households affected by the fire had an opportunity to rebuild their settlement through the latter project, with assistance of the CORC and EHS. They were involved in planning, designing and rebuilding their houses using fire resistant material.

The implementation of the Re-Blocking units and EHP led to the provision of interim services which included communal tap, electricity and ablution blocks. The rebuilding of the settlements made provision of new services within the settlement such as prepaid electricity and a water tap. Thus creating ease for the households within the settlements. Furthermore, the service provision enabled household to access water, flushable toilets and management of human refuse. The settlement is situated along a public transport route and taxi rank. The public transport route creates access to the settlement and transport mobility to the city centre. Kwa-Mathambo consists of Emergency Housing Units (EHU), Re-Blocking units and mushrooming informal settlements as indicated in figure 5.2.

Figure 5.2: Layout of Kwa-Mathambo after the fire in 2015 (Source: Govender and Loggia, 2017)
Social, economic and political challenges

Kwa-Mathambo is home to migrants from neighbouring areas around Durban and provinces surrounding KwaZulu-Natal. As indicated in Table 5.1, many depend on government grants. Figure 5.3 below shows that the settlement is in close proximity to the Red Hill industrial hub and a public transport route. Kwa-Mathambo consists of clusters of single unit dwellings and rows of informal dwellings (see Figure 5.2 above). Provision of services such as water and electricity after the fires improved living conditions and the dwellings constructed in the wake of these disasters are more habitable than those originally built. However, the community suffers high levels of unemployment and many households rely on government grants, while some have established HBEs that provide an additional source of income.

<table>
<thead>
<tr>
<th>Grant type</th>
<th>Numbers of People Receiving</th>
<th>% out of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability</td>
<td>4</td>
<td>4.35</td>
</tr>
<tr>
<td>Child Support</td>
<td>79</td>
<td>85.87</td>
</tr>
<tr>
<td>Pension</td>
<td>1</td>
<td>1.09</td>
</tr>
<tr>
<td>Care dependency</td>
<td>4</td>
<td>4.35</td>
</tr>
<tr>
<td>Aid grant</td>
<td>1</td>
<td>1.09</td>
</tr>
<tr>
<td>Social relief</td>
<td>2</td>
<td>2.17</td>
</tr>
<tr>
<td>Foster care</td>
<td>1</td>
<td>1.09</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5.1 Grants received in Kwa-Mathambo Informal Settlement (Source: CORC, 2012)
The population of Kwa-Mathambo has grown. This is due to its close proximity to job opportunities and amenities that surround it. Therefore the settlement attracts migrant that seek for employment, services and amenities within the areas. The lack of service delivery within Kwa-Mathambo as created risk for the dwellers such as the fire. However after the fire disaster, the implementation of EHP and Re-blocking project, the structure and services within the settlement improved. The settlement is face with high level of unemployment, were they there is a high dependence on social grants that enable the dwellers to survive within the settlement.

5.3 Respondents’ Demographic Characteristics
Based on observation, Kwa-Mathambo informal settlement comprises of three different typologies namely EHU, Re-Blocking Units and mushrooming informal dwellings. The EHU and Re-Blocking units have pre-paid electricity, communal taps and ablution blocks. Figure 5.4 shows that 60% of the 20 respondents in Kwa-Mathambo that use the informal dwelling to engage in income-generating activities were female and 40% male. This was evidence that
there more man than women that engage in economic activities. In addition the participant’s ages range 19 to 49. Therefore it can be argued that woman and households engage in economic activities using the dwelling in Kwa-Mathambo Informal settlements.

![Chart showing the distribution of males and females in Kwa-Mathambo Informal Settlements using informal dwellings for income-generating activities.]

Figure 5.4: Respondents by gender (Source: Author, 2018)

Based on the empirical data, the settlement is occupied by migrants from within KwaZulu-Natal and from neighbouring provinces, mainly the Eastern Cape (see Table 5.2). Table 5.3 indicates their reasons for moving to Kwa-Mathambo. The majority of the respondents hoped to access employment opportunities, but the high unemployment rate in the settlement shows that these expectations were not fulfilled. 70% of the respondents indicated that none of their household members were employed; hence the use of the informal dwelling as a place to generate income to add to social grants. The 30% of the respondents that indicated that one household member was working, used the dwelling to engage in economic activities and generate additional income.
<table>
<thead>
<tr>
<th>Province</th>
<th>City</th>
<th>Respondents (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>Port St Johns</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Mtata</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Bhizane</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Lusikisiki</td>
<td>25%</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>Kokstad</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Mzimkhulu</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Empangeni</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Jozini</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 5. 2: The respondents’ places of origin  (Source: Author, 2018)

**Reasons for Moving to Kwa-Mathambo Informal Settlement**

1. Employment Opportunities
2. Closer to the CBD
3. Close to Employment
4. Closer to Public Transport Route
5. Inherited family dwelling
6. Urban Life Style
7. Closer to Schools and Institutions

Table 5. 3: Reasons for moving to Kwa-Mathambo Informal Settlement (Source: Author, 2018)

Based on the above mentioned data, it could be argued that Kwa-Mathambo Informal Settlement is an arrival settlement that accommodates migrants which seek for better economic opportunities. It is evidence that the community of Kwa-Mathambo is faced with a high rate of unemployment and income generated by employed household members is insufficient to meet the necessities of life. Therefore it can be argued, that the challenges of unemployment and
insufficient income generated by employed household members lead informal dwellers to using
the dwelling as a place to engage in economic activities.

Limitations
As with much research, the researcher encountered problems during data collection. The first
round of interviews was conducted in December 2017. Many migrants return home at the end
of the year to visit their families. This problem was addressed by waiting until the participants
returned to the settlement. Another challenge was that many residents that use their dwelling
for rental purposes were reluctant to participate in the study. The shack lords did not live in the
area and did not want to be known. This was addressed by accessing community members that
engaged in other economic activities within the settlement.

5.4 The different economic activities in the dwelling
The respondents indicated that many factors influenced their decision to use the dwelling as a
place to generate income, including failure to find employment and the size of their family.
Table 5.4 shows that, 55% of the respondents were running spaza shops, 5% shebeens, crèches
and salons, respectively and 15% were engaged in other economic activities, including
Shisanyama (braaied meat), photo copying and C.V. typing and cooking cows’ heads (Inhloko).

<table>
<thead>
<tr>
<th>Economic Activities</th>
<th>Participants (20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>15%</td>
</tr>
<tr>
<td>Spaza Shop</td>
<td>55%</td>
</tr>
<tr>
<td>Shebeen</td>
<td>5%</td>
</tr>
<tr>
<td>Crèche</td>
<td>5%</td>
</tr>
<tr>
<td>Salon</td>
<td>5%</td>
</tr>
<tr>
<td>Production</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
</tr>
</tbody>
</table>

Table 5.4: Main Economic Activities in Kwa-Mathambo (Source: Author, 2018)

As shown in Figure 5.4 above, 60% of the participants that used the dwelling to engage in
economic activities were female and 40% male. Of the 60% of the participants that are women,
45% indicated that they are heads of households who are responsible for caring for their
families, while the other 15% indicated that they engage in economic activities to make
additional income. Of the 40% of the participants that are male, 25% said that the income they
generate from using the dwelling as an economic asset and social grants are their main sources of income, while the remaining 15% indicated that they use the dwelling to earn extra income.

The official from eThekwini Municipality’s Human Settlements Support Unit said that the unit’s role is to manage and reduce informal settlements within the city. Asked about the municipality’s views on the different economic activities that take place within Kwa-Mathambo, the official indicated that, although these benefit residents, they are challenging to manage. It was suggested that such activities attract more people to the area as others hope to also establish businesses. The official added that when shack farmers build more informal dwellings for rental purposes, this challenges the overall objective of reducing and managing informal settlements within eThekwini. It can thus be argued that the livelihood strategies adopted by informal dwellers conflict with the municipality’s objectives as they create problems for the municipality such as land invasion and illegal service connections.

The manager of eThekwini’s Business Support: Informal Economy Unit said that the unit’s mandate is to support businesses in the informal economy such as HBEs:

“As Business Support and well as informal economy, we support emerging business within the eThekwini Municipality’s boundaries, [including] informal businesses such as home-based businesses, spaza shops, retail stores and small informal stands within public transport ranks. Business Support Informal Economy provides training with various entities such as the Small Enterprise Development Agency.”

Which is an indication that the activities that take place in the informal economy are of priority and it fits within their mandate to the Business Support Unit with the assistance of Small Enterprise Development Agency (SEDA). It can thus be argued that this unit is knowledgeable about the economic activities that take place within informal dwellings and can assist informal settlement dwellers to enhance the economic growth of informal settlements.

The CORC aims to assist grassroots communities in informal settlements to strategically plan and successful implement projects, through mobilizing their resources and capabilities. The organization offered support to the Kwa-Mathambo community in terms of infrastructure development. The respondents from the CORC said that they conduct research, profiling and enumeration in informal settlements like Kwa-Mathambo when development such as Re-Blocking occurs. The community drove the project with CORC assistance. The CROC was the implementing agency in the Re-Blocking project after the fire in 2015. During planning for the layout of the Re-Blocking units, the community raised concerns about how their businesses
would be accommodated. The respondents indicated that the community leader informed the community that everyone would receive a standard size dwelling and that they should reconfigure their dwelling space and the space around the dwelling to accommodate economic activities. Asked what they understand by the use of an informal dwelling as a place to generate income, the respondents said that informal settlements are located where there are economic opportunities. With assistance from the CROC, the community of Kwa-Mathambo has established a garden and opened a craft market. When the CORC conducts research with the community of Kwa-Mathambo, they include questions on what the informal dweller uses the dwelling for.

Based on the data presented, it can be concluded that informal dwellings support economic activities that represent livelihood strategies and alternative sources of income. When residents cannot find a job, or when they earn a low wage, the dwelling become a useful resource that provides shelter but also functions as an economic asset through the informal economy. Through self-organization, residents of informal settlements are able to engage in livelihood strategies. Furthermore, women, who are among the most vulnerable groups in society, are able to reduce their vulnerability through access to income which reduces household poverty.

The Human Settlements Unit is aware of the informal dwelling as an economic asset, but does not regard these dwellings as ideal places to function as such assets. The CORC also acknowledges the use of the dwelling as an economic asset and offers its full support for such activities. While informal settlements might have a negative impact on the city, for their residents, they are places where livelihood strategies can be adopted to access income.
5.5 The informal dwelling space as an economic asset and residential space

As noted earlier, informal dwellers use their dwellings to accommodate economic activities in different ways, including sub-dividing a one-room dwelling, extending the dwelling by constructing a veranda, leasing the dwelling and adding a new structure (see Figures 5.5, 5.6, and 5.7). Seventy per cent of the respondents said that they had sub-divided their one-room informal dwelling to accommodate economic activities (Figure 5.5), while 5% used the exterior of the dwelling, for example, constructing a veranda to place a table where they can sell their goods (Figure 5.6). It was observed that the 10% of respondent had built an external structure to accommodate their business (Figure 5.7). Finally, 15% of the respondents indicated they rent out their dwelling space and they stay outside the settlement.

Figure 5.5: Dwelling sub-divided to accommodate an HBE (Author, 2018)
Figure 5.6: The use of a veranda to accommodate an HBE (Author, 2018)

Figure 5.7: External structure built by informal residents for selling purposes (Source: Author, 2019)

60% of the respondents indicated that it is easier to run a business in the dwelling because all the household members get involved (refer to information box 1). Twenty per cent said that it
is better to run a business from home because they are no transport costs, and 5% noted that Kwa-Mathambo is surrounded by a residential area, a taxi rank and an industrial area that create an economic opportunity to run a business. Finally, the 15% of the respondents that use the dwelling for rental purposes indicated that this is easy as well as profitable because so many people need accommodation.

**Information Box 1: Reasons for using the dwelling as a place to generate income**

*One of the participants in Kwa-Mathambo informal settlement owns a spaza shop that is open to the people of Kwa-Mathambo and surrounding areas. She added an extra room for the shop. The dwelling space is thus used to accommodate the household and the HBE. She indicated that the home-based business is not her responsibility alone; other members of the family assist. After school and over weekends, the children help to operate the business and if she has to go away, she knows that someone back home is running it. She said that it is easier to have the business in the dwelling since this enables all household members to assist.*

As noted previously, the official from the eThekwini Human Settlements: Informal Settlement Management Support Unit, indicated that informal settlements should not be used as places to generate income as this leads to the spread of such settlements. This runs contrary to the municipality’s overall objective to manage and reduce the number of informal settlements. Furthermore, the municipal officer indicated that the, informal settlement and EMU, “transit camp” should not be used as a place to generate income. The municipal officer indicated that the use of the dwelling as place to generate income was not accommodate in the design of the EMU after the fire in 2013, due to the main priority was to provide shelter for the informal dwellers affected by the fire.

In an interview with EThekwini Municipality Business Support Informal Economy the manager indicated that, they support economic activities within the informal sector and businesses that start out in informal settlement using the dwelling. However, the municipal manager indicated that the dwelling should be a starting point for the informal dweller with the intention to separate the income generating activities from the dwelling in the future. Furthermore, the manager of included that the when the two activities are separated there are better economic opportunities. The informal trading vendors in the city are from informal settlements and they have been exposed to better opportunities rather than using the dwelling
as a place to generate income. The structures that are built informal settlement such as the EHU seek to provide shelter and not to accommodate any other activities.

Based on the empirical data presented above, it is evident that Kwa-Mathambo residents have identified an economic opportunity in offering goods and services to fellow residents and those in surrounding areas. It can thus be argued that the informal dwelling represents more than just access to the city; it creates economic opportunities through functioning as a place to engage in business activities. The informal dwelling functions as an economic asset and forms part of informal dwellers’ livelihood strategies to generate income. Based on the empirical data, it is evident that the informal residents’ livelihoods are at the centre of where they are located.

The informal dwelling could be regarded as a sub-standard structure that is of no economic value. Furthermore, it can be argued that such space is compromised by accommodating economic activities. While the local municipality appears to frown upon this practice, it was highlighted that running a business in a residential space is inexpensive and is a shared household effort. It is a survival strategy that allows the informal dweller to access an income, meet their basic needs and reduce poverty. Therefore, it is evident that the local the Ethekwini Municipality Human Settlement Management Support Unit, is concerned with providing shelter without considering the informal dwellers livelihood strategies. Whereas, the Ethekwini Business Support Unit, recognises the informal dwelling as a starting point to engage in economic activities.

5.6 The uses to which the additional income is put

The participants reported that their households had grown. Based on the interviews, 50% of the participants indicated that the income generated by using the dwelling to run an HBE is used for groceries, funeral cover “umasingcwabisane”, school fees and pre-paid electricity. 40% said that they use the income generated to send money to their homes in the rural areas, while 10% indicated that the money is put towards building a new dwelling in the rural areas.

It should be noted that many residents of informal settlements do not intend to remain in the city on a permanent basis. Rather, they regard their stay in the urban area as an opportunity to generate income. Based on the household interviews, 50% of the respondents indicated that it is difficult to generate the same amount of income in rural areas due to a lack of economic opportunities. Being in the city enables them to make money that they can send home. They added that running an HBE keeps them busy and is better than being unemployed. Furthermore, the respondents pointed to the importance of ensuring a better life for their children; 50% stated
that the money generated from the business assists in paying school fees and buying their children clothes and food (see information box 2 below).

<table>
<thead>
<tr>
<th>Information Box 2: The use of the informal dwelling to generate income improves the livelihood of the informal dweller</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of the respondents is a single father who moved from Bizana in the Eastern Cape to Durban in search of better employment opportunities. He said that he chose to live in Kwa-Mathambo because it is close to the city and along a transport route. Due to his failure to find a job and the need to take care of his five-year-old son, the respondent built an external structure outside his dwelling to run a business. Asked why he chose to use his informal dwelling as place to generate income, the respondent replied, “I did not want to engage in criminal activities and I want a better life of my son.” He added that the income from his spaza shop is used for annual savings, school fees and household groceries.</td>
</tr>
</tbody>
</table>

Based on the household interviews, 70% of the respondents indicated that they are the head of the household and it is their responsibility to generate an income to meet the household’s daily needs. The economic activities that the informal dwellers of Kwa-Mathambo engage in serve as an additional source of income to social grants. Table 5.5 below shows that, using their dwelling to engage in economic activities enables the participants to generate an income of between R100 and more than R1 501 per month.
Table 5.5: Monthly income generated by Participants (Source: Author, 2018).

<table>
<thead>
<tr>
<th>Income Generated per month</th>
<th>No. of Participants (20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than R100</td>
<td>5%</td>
</tr>
<tr>
<td>R101- R500</td>
<td>50%</td>
</tr>
<tr>
<td>R501- R1000</td>
<td>20%</td>
</tr>
<tr>
<td>R1001- R1500</td>
<td>0%</td>
</tr>
<tr>
<td>More than R1501</td>
<td>25%</td>
</tr>
</tbody>
</table>

The eThekwini Municipal Human Settlements Unit, highlighted that they are aware of the activities that informal settlement dweller engage in. However, they do not view informal settlement as an ideal place to run HBE. Furthermore, when ask if they involved the community of Kwa-Mathambo in the building of emergency housing, the municipality officer indicate that the community should be involved in the construction of the units, due political rivalry the community is not involved. In addition, the local municipality highlighted that the community was not involved in the planning. In this regard, when the emergency housing unit were built they did not consider the livelihood strategies that the informal dwellers engage in. Furthermore, the municipality alluded that the EMU are temporary and should not be used as a place to generate income.

The manager of the eThekwini Business Support: Informal Economy said that the unit offers training to vendors in the informal economy. Programs for informal traders include training on starting and maintaining a business and home-based strategies, and the Bulk Buying Project. Such programs are advertised in informal settlements, included Kwa-Mathambo, but the response has not been as positive as expected. The official attributed this to a lack of communication and advertising.

Based on the interview with the official from the Human Settlements Unit, it is evident that it is more concerned with providing the physical structure. Livelihood activities such as the use of the dwelling as an economic asset are left to the dweller. Furthermore, the empirical data suggests that the Business Support Unit and Human Settlements Unit operate in isolation. It is suggested that they pool their resources to empower and support economic activities in informal settlements.
5.7 Interim services and the dwelling as an economic asset

Kwa-Mathambo is comprised of three different types of housing, namely, informal Re-Blocking, emergency housing and mushrooming informal structures. Figure 5.8 below shows the installation of electricity brought about by the Re-Blocking project and EMP projects. This has created opportunities for the occupants of these units and enabled them to open spaza shops, sell cooked food and to run businesses that offer C.V. typing and photo copying.

![Figure 5.8: Electricity installed after the Emergency Housing Program and Re-Blocking project (Author, 2018)](image)

Based on the household interviews, 15% of the participants indicated that they do not use electricity to operate their businesses, while 75% said that they use it to run a fridge or for cooking food for sale. In addition, 10% of the participants indicated that they use water for cooking and cleaning to run their businesses.

The access of electricity has improve the quality of life in the settlement. Based on the interview, 85% of the respondents indicated that before the fire it was difficult to use the dwelling for income generation due to the absence of electrical services. The respondents indicate that the provision of electricity has influence the use of their dwelling for income generation. In addition, the 75% indicated that they can now easily use safe connected prepaid electricity to operate stove, fridges connecting appliances to operate their businesses, as indicated in information box 3. The Re-Blocking project did not just bring better structures to the community of Kwa-Mathambo but structures with material that mitigates the spread of fire hazard.
The interim services that are provided in informal settlement are a temporary measure that is provided to communities such as Kwa-Mathambo. The services provided are not intended for household economic uses as indicated by the Municipality Human settlement Unit. However, the provision of interim services has provided an opportunity for informal dweller to engage in innovative economic activities which include such as cooking a cow’s head and photo copying and C.V typing activities. Therefore, it can be argued that access to services in informal settlement enhance the used of the informal dwelling as an economic asset. Furthermore, creates an economic opportunity for and improve their quality of life.

Information Box 3: Provision of electricity and the use of the dwelling to generate an income

The participant in Figure 5.9 below hails from Port St. Johns and is raising his two daughters. He came to Durban to study, but was unable to raise the necessary fees. After the fire in 2013, and the provision of electricity, he was able to start his photocopying and C.V typing business. He also records music and makes videos of functions. The respondent indicated that he is able to meet his basic needs with the income generated as well as social grants.
5.8 Challenges of using the informal dwelling for income generation

Based on the empirical data it is evident that the informal dwelling can function as an economic asset. However informal residents that use the dwelling as an economic activity face challenges such as limited space to extend their dwelling. It was observed that 85% of the respondent occupy one-room informal units including the respondent in the Emergency Housing Unit and Re-Blocking units and 15% of the participants occupy mushrooming informal dwellings. Based on the household interviews, 20% of the respondents had sufficient space to run the business and indicated that there are no challenges that they face. It was observed that the residents occupy one-room dwellings. In addition, the settlement is clustered with limited space to extend the dwelling. The limited space that is available in the dwelling, the informal dweller uses the informal dwelling as a shared space for income generation and residential purposes. Thus, the informal dwelling’s functional use is more than of providing residential space. The functional
use of the informal dwelling as a shared space imposes challenges to the informal settlement household, as illustrated in the information box 4 below. The respondents indicated that when the dwelling is used as a shared space for both economic and residential uses, there is a lack of privacy, people come in during late hours of the night.

**Information Box 4: The challenges of using the informal dwelling as an income generator**

One of the participants in Kwa-Mathambo informal settlement uses her dwelling as a crèche. She lives in a one-room emergency housing unit with her husband who works as a security guard. She indicated that her business is growing as people from the community need someone to look after their children while they are at work. However, she has limited space and can’t accommodate more than 25 children.

Another participant operates a shebeen in her dwelling. She said that she lives in fear because the police conduct raids and confiscate the liquor. It is illegal to run a shebeen or sell alcohol in informal settlements.

Based on the household interviews, 10% of the participants that use external structures to run their businesses indicated that they face the challenge of homeless people occupying the shelter. Fifteen per cent of the respondents also said that their income is limited because some of the goods that they produce are used to feed family members when then are no groceries at home. In addition, 35% of the participants stated that their income is limited by the fact that not all community members support their businesses.
Crime is a problem in many informal settlements. Based on the household interviews 35% of the respondents said that theft has a negative impact on their businesses as their dwellings lack security. Furthermore, the poor conditions in the settlement (see Figure 5.10) are not an ideal environment in which to produce and sell food.

![Figure 5.10: Informal dwelling with poor ventilation used to accommodates an HBE (Author, 2018)](image)

**The size of the dwelling**

Based on the household interview, 80% of the respondents indicated that they were not satisfied with size of the dwelling, while 20% said that they were satisfied. The participants view municipal departments as agents of change that can provide opportunities for better use of their settlement. The 20% of respondents said that they would like to receive training from the municipality on how to run a business and how to save money for the business to grow. This suggests that the inhabitants of Kwa-Mathambo are not aware of the programs offered by Business Support Unit. 60% of the respondents expressed the need for larger dwellings to accommodate residential uses as well as their businesses. Furthermore, 20% indicated that they would like a stand in the CBD where they could access better economic opportunities as their local community is small.
Based on the empirical data it is evident that the informal residents chooses to use the dwelling as a place to generate income. The informal residence acquires economic benefits through the use of the dwelling as an economic asset. However it is evident that using the informal dwelling as a place to engage in economic activities brings challenges. It can then be argued, that the challenges that exist in informal settlements impact on the livelihood strategies that informal settlement residents engage in. The informal dweller indicated that they would like assistance from municipality. Based on the household interviews, 80% of the participants indicated that they would like support through housing provision and provide space where they have space to run their business. In addition, 20% indicated that the municipality can provide space for them within the city to trade as vendors. The municipality can be mindful of the activities that take place in informal settlement, the challenges presented can be addressed through housing strategies and through municipal collaborations. Therefore, it can be suggested that through collaborative efforts support can be provided for informal residents.

1.6 Chapter Summary
This chapter presented the empirical data on the different economic activities that Kwa-Mathambo residents engage in and how the informal dwelling functions as a place to support such activities. It is evident that the functional use of the informal dwelling as an economic asset is a livelihoods strategy that enables residents to meet their basic needs. The chapter also
highlighted the challenges that arise from using the informal dwelling as a place to create wealth through engaging in various economic activities.
Chapter Six: Conclusion and Recommendations

6.1 Introduction
Informal settlements arise due to growing urbanization, housing backlogs and income inequality within urban areas. They are at the centre of urban poverty and poor living conditions and are associated with unplanned urban expansion, crime and unplanned human settlements. Informal dwellers engage in various livelihood strategies to survive. Their dwelling is a foothold to access the economic opportunities offered by the city. It is against this background that this study set out to analyse how the informal dwelling functions as an economic asset for residents of informal settlements.

The study was motivated by the need to understand how informal residents tackle household poverty and meet their basic needs. The overarching aim was to understand the role of the informal dwelling as an economic asset and the way in which it contributes to poverty alleviation and meeting basic needs. This chapter concludes the study by answering the research questions presented in chapter one. It also offers recommendations based on the study’s findings that aim to enhance support for informal settlement residents and promote self-reliance and economic growth.

6.2 Conclusion

How the informal dwelling functions as an Economic Asset
The informal dwelling serves as a foothold in urban areas for rural migrants. It provides shelter as well as access to opportunities such as employment, a better lifestyle and access to tertiary institutions. Based on the empirical data gathered for this study, most of the residents of Kwa-Mathambo moved from rural areas to the settlement in search of such opportunities. However, when these expectations were not fulfilled, they resorted to other livelihood strategies such as using the informal dwelling to accommodate economic activities in order to meet basic household needs.

The informal dwelling is a tangible asset which allows the informal dweller to engage in different activities such as petty trading and offering services. The SLA framework highlights that people possess assets that enable them to achieve positive outcomes. In this regard, the informal dwelling represents physical capital that the informal dweller uses to support economic activities and derive a positive outcome. Through the informal economy, the informal dwelling functions as a place to generate income for informal settlement residents.
Based on the empirical data, the informal dwelling is used for HBEs, rental and as a place to offer services. It therefore becomes a space for self-employment and an instrument for alleviating household poverty. The use of the informal dwelling space as a place to generate an income is not a new phenomenon in South Africa’s urban areas, but dates back to the 1970s. It also occurs in other countries such as Nigeria and Indonesia.

The SLA assisted the researcher to understand how the informal residents that engage in economic activities in Kwa-Mathambo sustain a livelihood. It also offered insight into what the informal dwelling means to the informal dweller in Kwa-Mathambo who chooses to engage in economic activities. The data suggested that more women than men in Kwa-Mathambo engage in economic activities using the dwelling space. Woman and children are vulnerable members of society. Female headed households are thus able to reduce vulnerability through using the dwelling as an economic asset to earn an income and reduce poverty.

The study found that eThekwini Municipality aims to manage informal settlements and ultimately reduce the number of such settlements. In doing so, it is important to consider the livelihood strategies that informal dwellers engage in. Support initiatives could assist residents in informal settlements to develop self-reliance in addressing their own housing needs. The research findings could thus inform the strategies adopted by eThekwini’s Human Settlements and Business Support Units to support communities like Kwa-Mathambo to reduce household poverty.

Based on the empirical data, it is evident that self-organization can enable informal dwellers to engage in economic activities that support their livelihoods and promote self-reliance. Self-reliance is achieved when the dweller is able to reduce poverty through generating an income. The household is then able to meet immediate needs such as groceries, school fees, paying for services and life cover, thus reducing their vulnerability. Programs that are implemented in informal settlements should aim to empower communities, promote self-reliance, and reduce dependence on the government.

The Culture of Poverty frames local authorities’ perceptions of residents of informal settlements. The empirical findings of this study do not support this theory. Instead, using their limited means, the residents of Kwa-Mathambo are able to take advantage of economic opportunities through self-organization, in using the informal dwelling as a place for income generation.
The data suggests that the municipality’s Human Settlements Unit and Business Support Unit do not work around the informal dwellers’ livelihood strategies. In contrast, the CORC is fully aware of the livelihood activities that take place within the settlement and involves residents in project planning as well as implementation. Far from being dependent, the community has self-organized to address housing needs with the assistance of CORC. The relationship between local authorities and informal settlements thus needs to be revisited. Municipalities should ensure that they have a comprehensive understanding of what is happening on the ground in informal settlements before designing interventions. Furthermore, such interventions should support livelihood activities rather than disregarding them.

In conclusion the informal dwellers takes advantage of the available resources. The intended use of the informal dwelling is to provide shelter. However, to meet up with demand of the urban areas and address basic need the informal dwelling becomes a place of engaging in livelihood strategies. Through the self-efforts different survival strategies emerges as the means to reduce household poverty. The local government and supporting organization have to play the role of enablers and support to assist informal dweller. The support through programs can reduce household poverty.

Spatial arrangements to accommodate economic activities in the informal dwelling

It was noted that, when informal dwellers use their dwelling as an economic asset, they have to compromise their living space in order to accommodate economic activities. The informal dwelling thus has a multifunctional purpose. Tipple and Kellett (2000) argued that the dwelling serves as a mono-functional space that can be used beyond its primary function. Links can be made between economic use and residential use. The current study found that informal dwellers sub-divide the dwelling space, add additional rooms or use external spaces to accommodate their economic activities.

Therefore, despite the fact that the dwelling has limited space, the dwelling is not just a place of providing shelter. The dweller treats the dwelling as a mono-functional space that can do more than just provide the primary function. The urban area is treated as a place of opportunity and in doing that the informal dweller sacrifices dwelling space to generate a form of income. The local authorities do not view the informal dwelling as a place to engage in economic activities. However it is place that allows informal dweller access to income and offer the community cheaper and accessible goods and services.

For the residents, the informal dwelling is more than just shelter

When the dwelling is used to accommodate economic activities it becomes a mon-functional, generating income and residential purposes. Tipple and Kettele (2000) argue that informal
dwellers can make a between the dwelling and home-based enterprises. It is evident in the empirical data that the informal dweller is able to understand the two function and emerge them using one shelter through compromising residential space. Such multi-functional use creates challenges such as the dwelling space becoming congested, while privacy is compromised. While the use of the dwelling as an economic asset might yield an income, this comes at the price of comfort. However, given that the dwelling is the informal resident’s only asset, this compromise is necessary in order to reduce household poverty. The municipality highlighted that the informal dwelling space is not an ideal place to engage in economic activities, due to the challenges that surround informal settlements such as poor living conditions. However, informal dwellers have no option but to use the available resources in order to survive. While informal settlements have a negative impact on urban areas, they are a place of economic opportunities for their inhabitants.

**Limitations due to lack of services**

It was noted that the provision of interim services in Kwa-Mathambo supported residents’ economic activities. However, the municipality’s intention was not to enhance economic activities, but to improve living conditions. Nonetheless, residents have taken advantage of the services provided to expand their businesses or to offer services that were previously unavailable in the area due to the lack of electricity and water. Based on the empirical data, it is evident that the informal residents of Kwa-Mathambo have enhanced their livelihood strategies. In addition, the provision of interim services has allow the dwellers to engage in different economic activities

The economic activities that the informal dwellers of Kwa-Mathambo engage in, have been enhanced by the interim services. Kellett and Tipple (2000) argue that there will be more innovative survival strategies that the urban poor engages in to make a means of survival in urban areas. Therefore, there are more innovative economic activities which include C.V typing and Photo copying, cooking and using fridges to store goods. When the settlement of Kwa-Mathambo lack interim services, they could not engage in economic activities that rely on electricity. The Culture of poverty frames the poor as individuals of society that are not psychologically geared to take advantage of the opportunities that are given to them to improve their conditions (Lewis, 1966) cited in (Harry and Reed, 1996). It is evident that Human Settlement Unit, is concerned with managing informal settlements. In its management EHU have been
implemented as a disaster relief strategy. However, through the provision of EHU and the Re-blocking Units, the informal resident of Kwa-Mathambo have taken advantage of the resources and services available to them. Indirectly, the availability of services within the community of Kwa-Mathambo has enhance how informal dwellers engage economic activities. Therefore, it is evident that the argument presented by the Culture of Poverty is insignificant to how the urban poor respond to their situation. The informal settlement dwellers are able to take advantage of opportunities that are presented to them, in address poverty and meeting basic necessities. It is evident that the availability of interim service in the settlement of Kwa-Mathambo have added value, which has enhanced the potential use of the informal dwelling as a place to generate income.

**Challenges of using the informal dwelling as an Economic Asset**

The use of the informal dwelling as an income generating tool can make the dwelling space unpleasant to the dweller. Based on the empirical data, the dwelling space is reduce as the space is limited. When the dwelling space is sub-divided to accommodate economic activities. In addition, privacy in the dwelling is the ability to control of personal space. Based on the empirical data, there is no privacy when using the dwelling as an economic asset, the dwelling is accessible to the customers. In addition, in as much as the dwelling has the ability to function as a place for wealth creation it is confronted by poor living conditions, theft, limited dwelling space and lack of privacy. It evident that, the informal dwelling maybe be deemed as an economic asset but the use of the informal dwelling infringes on the household freedom of personal space. Therefore, the informal dwelling is not a desirable place to use as an income generating tool. Notwithstanding the challenges that arise when using the informal dwelling as an economic asset. The informal dweller is forced to compromise residential space to accommodate economic activities as a means of generating income, to meet basic necessities.

Based on the empirical data the municipality alluded to the use of the informal dwelling as an economic asset increases the number of informal settlement. This challenges the role that municipality plays to reduce informal settlements. The local municipality needs to be aware of such challenges to remedy them, to create settlement that offer opportunities. The economic activities that the informal dweller engages in are not advisable, they are an added risk which can create hazards in informal settlements. It is understandable that the informal resident engage in these activities to meet their basic necessities and how no choice but to use the dwelling.
It is then imperative for Human settlement Unit and Business Support Unit to be aware of what is happening on the ground, to influence development that supports economic livelihood strategies. In addition, collaborative efforts from both Human Settlements Unit and Business Support Unit should create more opportunities in informal settlements through programs that will support livelihood strategies to enhance economic growth. The data presented in the previous chapter can be used to understand the various economic strategies that informal dweller engages in to survive in urban areas. In conclusion, the role of the informal dwelling and the interim services that are provided improve the lives of the informal dweller. Understanding what the dwelling means to its dwellers, allows for development that enables people livelihoods rather than destroying opportunities and dwellers livelihoods.

6.3 Verification of the Hypothesis
The research hypothesis was that the informal dwelling functions as an economic asset, through the informal economy. Furthermore, it suggested that provision of interim services enhances the use of the informal dwelling as an economic asset and enables the informal dweller to meet their basic needs by generating an income. The study’s empirical results confirm this hypothesis. The informal dwelling was found to function as an economic asset that enables informal residents to meet their basic needs and reduce household poverty. Furthermore, provision of interim services by the municipality has influenced the use of the informal dwelling as an economic asset and engagement in different innovative economic activities that rely on water and electricity. Therefore, the use of the informal dwelling as an economic asset can be regarded as a survival strategy that informal dwellers adopt to meet their basic necessities and reduce poverty.

6.4 Recommendations
The recommendations presented below are based on the whole study. They seek to give insights on how informal settlement can be supported to create a place of opportunity and how informal settlement can be better used. These recommendations can be applied to support livelihood strategies that informal dwellers engage in, understanding what the informal dwelling means to the informal dwellers, understanding the role of service provision how it can contributes to improving informal dweller lives and creating liveable informal settlement through creating support to eradicate poverty and reduce informal settlements.

Accepting the existence of informal settlements
While informal settlements should not be encouraged, it should be recognized that they are part of South Africa’s urban fabric. The data shows that informal dwellers are rural-urban migrants that do not see the city as a permanent place to stay but instead as one to access economic opportunities. Through the informal economy, they engage in income generating activities to create household wealth. Policy makers and other stakeholders should thus not focus solely on the negative connotations of informality. It is essential that local municipalities monitor and provide support for informal settlement livelihood strategies.

By identifying the livelihood strategies that informal dwellers adopt, it is possible to avoid development that destroys people’s livelihoods. Furthermore, it is evident that the informal dweller has no choice but to use the informal dwelling to engage in activities such as spaza shops, rental, shisanyama, crèches and other businesses. However, some of the economic activities that they engage in pose risks to the settlement as a whole. These factors should be taken into account when municipalities craft development strategies for such settlements. Furthermore, self-reliance should be encouraged so that informal dwellers are able to cater for their own housing needs.

Acknowledging that informal settlements are a part of the urban environment would enable them to be better managed. Development strategies that create opportunities in informal settlements would promote economic growth and reduce poverty as well as make residents less dependent on the government. While these settlements are characterized by poverty and poor living conditions, they are a place of hope and opportunity for rural-urban migrants. More attention thus needs to be paid to providing support such as adequate infrastructure, social and economic support, consumer education and training. This would enable informal dwellers to progressively improve their lives and ultimately move out of informal settlements.

**Collaborative efforts between municipalities and support organizations**

The study’s findings suggest that there is minimal cooperation between eThekwini Municipality’s Human Settlements Unit and the Business Support Unit. Municipalities need to understand the role played by livelihood activities in informal settlements. The residents of informal settlements like Kwa-Mathambo struggle to find jobs in the formal sector and thus create their own economic opportunities through the use of the informal dwelling as an economic asset to meet basic household needs. Therefore, it is important that municipalities engage with informal dwellers to understand the functional use of the dwelling as an economic
asset and that they adopt programs to empower informal dwellers and promote economic growth in informal settlements.

The Human Settlements Unit and the Business Support Unit should also partner with organizations such as the CROC to offer support to communities in informal settlements to enhance their livelihood strategies and promote self-reliance. Municipalities should play an enabling role in development, through supporting and enhancing HBEs.

The Housing Development Agency (HDA, 2014) highlighted that it is important for municipalities to understand the challenges confronting communities in informal settlements. The fact that informal residents engage in economic activities shows that they do not suffer from the dependency syndrome. Collaboration between municipalities and support organizations would enable the goal of managing and reducing the number of informal settlements to be achieved.

**Improved use of informal settlements**

Based on the empirical data, it is evident that informal settlement dwellers use available resources to address poverty. In this regard, municipalities should aim to create liveable informal settlements that offer economic opportunities. The mandate of the Human Settlements Unit is to manage and reduce the number of informal settlements. This creates the impression that such settlements are an unwanted phenomenon that is associated with land invasion and poor living conditions. Providing interim services while informal dwellers wait for adequate housing would enhance their livelihood strategies.

The Business Support Unit should extend its training programs to informal settlements so as to enable the economic activities undertaken in these areas to function more effectively. This should include education on the importance of housing and how its economic function can be derived.

**Provision of Space**

Given that most of the units in Kwa-Mathambo consist of one room, accommodating a residential space and a business is a challenge. It is thus recommended that the Human Settlements Unit and Business Support Unit create trading space within the informal settlement. The dwelling could then be used as a place to prepare and store goods to be sold.
Furthermore, relocation projects should consider the provision of additional space to enable beneficiaries to continue their economic activities. The location of future housing should also aim to maximise economic opportunities rather than destroying people’s livelihoods. This would also create employment opportunities in the area.

**Provision of services in informal settlements**

The findings showed that provision of electricity enhanced the use of the informal dwelling as an economic asset in Kwa-Mthambo informal settlement and improved residents’ living conditions. Efforts should thus be made to expand provision of basic services to informal settlements.

**Refinement of the Housing Policy**

South Africa’s policies are mandated by the Constitution and legislation to ensure that they act in the interests of the public and focus on the needs of the poor. The housing policy seeks to deliver adequate, sustainable human settlements as advocated by the BNG. Furthermore, the policy advocates for housing to function as an asset for wealth creation. Based on the empirical data, it is evident that the informal dwelling has the potential to function as a wealth creation tool, through dwellers engaging in different economic activities. The informal dwelling’s ability to function as an economic asset allows the resident to address immediate needs. In this regard, the housing policy should aim to enhance economic growth, reduce poverty and promote self-reliance in addressing housing needs.

Housing policy should thus place more emphasis on informal dwellers’ livelihood strategies. Through support initiatives such as training and provision of basic services, informal dwellers can enhance their economic activities and other livelihood strategies and become more self-reliant. Rather than destroying people’s livelihoods, housing policy should aim to create economic opportunities and liveable environments for informal residents. This would ultimately enable them to move to formal housing and would also encourage them to maintain their houses and adopt the culture of paying for services.
References


Bricki, N. and Green, J., 2007. A guide to using qualitative research methodology. [http://hdl.handle.net/10144/84230](http://hdl.handle.net/10144/84230) . [Accessed date: 06 June 2018]


OTEKHITE, O. and Matthew, O., 2017. An explorative study of the contribution of the informal sector to economic activities in Lagos, Nigeria.


Appendixes
Annexure A: Informed Consent

Informed Consent

TO BE SIGNED BY THE PARTICIPANT AT THE START OF EACH INTERVIEW

One copy of the form to be left with the respondent; one copy to be signed by the respondent and kept by the researcher.

My name is Sinenhlanhla T. Nzimande. I am currently doing research on a project entitled: A Critical Analysis of How Informal Settlement Dwellers Use Their Dwelling as an Economic Asset: A case Study of Kwa-Mathambo Informal Settlement. This project is currently being supervised by Mrs Judith Ojo-Aromokudu at the School of the Built Environment and Development Studies, University of KwaZulu-Natal. Co supervisor: Dr. Claudia Loggia, School of Built Environment and Development Studies. University of KwaZulu-Natal

- **Student Contact Details:** Sinenhlanhla T. Nzimande. School of the Built Environment and Development Studies. University of KwaZulu-Natal, Durban. **Cell:** 0769237415 ; **Email:** thenjie.nzimande5@gmail.com or 213525852@stu.ukzn.ac.za
- **Supervisor Contact Details:** Mrs Judith Ojo-Aromokudu. School of the Built Environment and Development Studies. University of KwaZulu-Natal, Durban; **Email:** Ojoaromokudu@ukzn.ac.za
- **Co-supervise Contact Details:** Dr. Claudia Loggia, School of Built Environment and Development Studies. University of KwaZulu-Natal, Durban **Email:** Lloggia@ukzn.ac.za
- **HSSREC Contact Details:** P. Ximba. HSSREC Research Office, University of KwaZulu-Natal, Durban. **Tel:** 27(31) 2603587; **Email:** ximbap@ukzn.ac.za

Firstly, I would like to thank you for agreeing to take part in the project, and I would like to emphasize that:

- your participation is entirely voluntary and you are free to withdraw at any time without any negative consequences.
- your participation in the research is limited to this interview only, and there are no other expectations of you.
• you may be contacted for any possible follow-up queries, or to verify any interview transcripts.
• you are free to refuse to answer any question; or refuse to discuss a topic, without judgment or prejudice.
• you will be given access to all interview notes for verification, and all findings will be made available to you.

Please note:
• The interview will be kept strictly confidential and will be available only to members of the research team. However, excerpts from the interview may be made part of the final research report.
• To facilitate the interviewer’s job, the interview will be audio recorded your consent (interviewee). However, the recording will be destroyed as soon as it has been transcribed.
• All interview data will be handled to protect the confidentiality of any victims involved - no names will be mentioned or included in the research transcripts, analysis or coding.
• All data will be destroyed at the end of the project.

Do you give your consent for the following: (please tick and initial the options below)?

| To have your role within the organization mentioned in the research: |
| To have this interview audio-recorded: |
| To be contacted for any possible follow-up queries: |

I ---------------------------------- (full name) hereby declare that I have read this Informed Consent Form, and both understand and agree with the parameters of the research interview.

Participants' signature: ---------------------------------- (signed) -------------------- (date) ------
---------------------------------- (print name).

Interviewer’s signature: ---------------------------------- (signed) -------------------- (date) ------
---------------------------------- (print name).
Annexure B: Household Interviews
Interview Questions for Household of Kwa-Mathambo Informal Settlement Residents.

1. Gender

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
</tr>
</tbody>
</table>

2. Age

<table>
<thead>
<tr>
<th>Age Range</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;18</td>
<td></td>
</tr>
<tr>
<td>19-30</td>
<td></td>
</tr>
<tr>
<td>31-35</td>
<td></td>
</tr>
<tr>
<td>36-40</td>
<td></td>
</tr>
<tr>
<td>41-50</td>
<td></td>
</tr>
<tr>
<td>&gt;51</td>
<td></td>
</tr>
</tbody>
</table>

3. Employment:

<table>
<thead>
<tr>
<th>Employment Status</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
</tr>
<tr>
<td>Informal employed</td>
<td></td>
</tr>
</tbody>
</table>

4. If yes, what type of formal employment do you have

<table>
<thead>
<tr>
<th>Employment Type</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td></td>
</tr>
<tr>
<td>Temporary</td>
<td></td>
</tr>
</tbody>
</table>

5. Are you the head of the household?

6. Where are you originally from?

   _______________________________________

7. When did you move to this informal settlement?

   _______________________________________
8. What attracted you to this settlement?

9. How many people live in this dwelling?

10. How many people are employed in this household?

11. Do you receive any form of government grant?

12. Do you use your dwelling as a place to generate income?

13. If yes, what activities do you engage in to generate an income?

<table>
<thead>
<tr>
<th>Activity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td></td>
</tr>
<tr>
<td>Spaza shop</td>
<td></td>
</tr>
<tr>
<td>Shebeen</td>
<td></td>
</tr>
<tr>
<td>Crèche</td>
<td></td>
</tr>
<tr>
<td>Salon</td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

14. If other, explain the income source used to generate income?

15. Do you use services such water and electricity to operate your business?

16. If yes, explain the services that you use to run your business?
17. Has the availability of water and electricity influence your decision to engage in economic activities?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

18. If yes, state how?

______________________________________________________________

19. Did you engage in any economic activities using the dwelling before the fire?

______________________________________________________________

20. If no, explain why?

______________________________________________________________

21. How long have you been using your dwelling as an economic asset?

______________________________________________________________

22. Are you satisfied with the size of your dwelling?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
</tr>
</tbody>
</table>

23. If no, why not?

______________________________________________________________

24. Why do you choose to use your dwelling as an economic asset?

______________________________________________________________
25. How much money do you generate using the dwelling per month?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; R100</td>
<td></td>
</tr>
<tr>
<td>R101-R500</td>
<td></td>
</tr>
<tr>
<td>R501-R1000</td>
<td></td>
</tr>
<tr>
<td>R1001-R1500</td>
<td></td>
</tr>
<tr>
<td>&gt;1501</td>
<td></td>
</tr>
</tbody>
</table>

26. How do you use the profit generated to improve your livelihoods?

27. Does the income generated contributed to the improvement of your dwelling? If yes please explain how

28. Do you experience any challenges or limitations with using your dwelling as an economic asset?

29. If yes, explain how?

30. Do you have any leadership role within the community

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

31. If yes, explain?

32. Would you like the Municipality to support your business?
33. If yes, explain how?

34. Observation Table

<table>
<thead>
<tr>
<th>Interior of the dwelling</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods sold in the dwelling</td>
<td></td>
</tr>
<tr>
<td>Equipment used for production</td>
<td></td>
</tr>
<tr>
<td>Sitting area for customers</td>
<td></td>
</tr>
<tr>
<td>Additional rooms for rentals</td>
<td></td>
</tr>
</tbody>
</table>

| External of the dwelling                       |          |
| Sitting area for customers                     |          |
| Goods sold                                     |          |
| Additional dwelling for rental                 |          |

| Type of Unit                                   |          |
| Re-blocking Unit                               |          |
| Emergency Housing Unit                         |          |
| Mushrooming Informal Settlement Unit           |          |
Annexure C: Interview Questions EThekwini Business Support
Questionnaires EThekwini Business Support.

1. Could you please explain the mandate the business Support Unit has been tasked with?
   .................................................................................................................................

2. How long have you been working for the Business Support Unit?
   .................................................................................................................................
   .................................................................................................................................

3. What do you understand by the informal dwelling as an economic asset?
   .................................................................................................................................

4. Does the Business Support Unit provide support to informal economy activities?
   .................................................................................................................................
     a. If yes, How?
     b. If No, Why not?

5. When low-income groups engage in economic activities they are able to generate an income to eradicate poverty at a household level, Does the Business Support Unit have programs that support informal business?
   .................................................................................................................................
   .................................................................................................................................

6. If yes, describe them to the extent in which they have been successful or unsuccessful?
   .................................................................................................................................
   .................................................................................................................................

7. Does the Business Support Unit have programs that extend to informal settlement dwellers that use the dwelling for income generating activities?
   .................................................................................................................................
     a. If yes, describe the programs and the extent which they have been successful or unsuccessful?
     .................................................................................................................................
     b. If No, Why not?
     .................................................................................................................................

8. Does the Business Support Unit implemented programs in KwaMathambo Informal Settlements?
   .................................................................................................................................
a. If yes, describe the program and the extent which they have been successful or unsuccessful?

b. If No, Why not?

9. Does the Business Support Unit worked with the EThekwini Municipality Human Settlements unit in implementing its program?

a. If yes, describe the role of EThekwini Municipality Human Settlements Unit implementing the program?

d. If no, why not?

10. What problems have been experienced by business Support when implementing programs?

11. Based on your experience how can the Business Support Unit improve/assist informal settlement dwellers that use their dwelling for income generating activities?

12. How does Business Support Unit ensure that home-based enterprises survive development in informal settlements such as informal settlement upgrading?

13. Are there any developmental programs that informal dwellers can engage to create opportunities or improve their businesses?

14. How does Business Support unit support/ encourage economic growth informal settlements?
15. What lessons have you learnt as the Business Support Unit that you can apply in future development to informal settlements in respects to sustaining a hon?

........................................................................................................................................
........................................................................................................................................
Annexure D: Interview Question for The Municipal official of Informal Settlements Unit section.

The Municipal official of Informal Settlements Unit section.

1. What is your role as EThekwini Informal Settlement Unit?

2. How has your role translated in Kwa-Mathambo Informal settlements?

3. How long have you been working for EThekwini Informal settlements Unit?

4. What do understanding by the dwelling as an economic asset?

5. Are you aware of how informal dwellers use their dwelling for income generation in Kwa-Mathambo Informal Settlements?

6. How would you describe the businesses that take place in the informal dwelling?

7. How does EThekwini Informal Settlement Unit assess the extent in which implementation of housing strategies in informal settlement, supports home-based businesses?

Does the Municipality Informal Settlement Unit have programs that encourage or enhance the use of the informal dwelling as an economic asset?

a. If yes, Describe to what extend has the program been a success or unsuccessful?
b. If No, why not?

8. What was your role when Emergency housing and Re-Blocking was implemented in Kwa-Mathambo Informal Settlements?

9. In planning and implementing stages of Emergency housing and Re-blocking Unit did ETHekwini Informal Settlement involve Kwa-Mathambo households?
   a. If yes, how?
   b. If No, why not?

10. In the planning stage of Re-blocking and Emergency housing did the household raise any concerns with Informal Settlement Units about how the housing provision would affect their businesses?

11. If yes, Please describe the concerns and the extend which they were addressed?

12. In your view has the provision of services in Kwa-Mathambo informal settlement enhance the use of the dwelling as an home-based businesses?
   a. If yes, how?
   b. If No, please explain why not?
13. Does the EThekwini Informal Settlement Unit have programs in which they work with Business Support?

........................................................................................................................................................................

a. If yes, describe your role?

........................................................................................................................................................................

b. If no, why not?

........................................................................................................................................................................

14. Do you experience any challenges with assisting informal settlement dwellers?

........................................................................................................................................................................

15. If yes, state describe the challenges that you experience?

........................................................................................................................................................................

16. Based on your experience and the lessons that you learnt, how can informal settlement such as Kwa-Mathambo be support to improve their livelihood strategies such as using the dwelling for income generation?

........................................................................................................................................................................
Annexure E: Interview Question Community Organization Resource Centre

Community Organization Resource Centre

1. What is CORC?

2. What is the role of your CORC in informal settlements?

3. How has your role been translated in the community of Kwa-Mathambo Informal Settlements?

4. How long as CORC been part of Kwa-Mathambo Informal Settlements?

5. How was Kwa-Mathambo Community involved in the planning process of Re-blocking and Emergency housing?

6. What do you understand by the informal dwelling as an economic asset?

7. The informal settlement dweller of Kwa-Mathambo generate an income using their informal dwelling, In the planning of re-blocking and Emergency housing did CORC accommodate income generating activities?
   a. If yes, How?
   b. If No Why not?

8. When households learnt of the planning of their settlement, did they raise any Concerns with you about how Re-blocking and Emergency Housing would affect their business?

9. What were their main concerns?
10. Did you ensure their concerns were addressed?

a. If yes, how?

b. If no, Why not?

11. In your view Describe the extent in which Re-blocking has successful or unsuccessful in improving the living conditions of Kwa-Mathambo Informal Settlements?

12. Do you experience any challenge when assist informal settlement dwellers?

13. What challenges do/did you experience in planning or training the community of Kwa-Mathambo for Re-blocking and Emergency Housing?

14. What are the outcome of your engagement with Kwa-Mathambo Informal Settlements?

15. In your view, how has the provision of services in the community of Kwa-Mathambo Contributed to informal dwelling using their dwelling for income generation?

16. How has CORC provide support in Kwa-Mathambo for informal settlement dweller that use the dwelling for income generation?

17. What lessons have you learnt as CORC that you can apply in future developments, to assist informal settlement dwellers that use the dwelling for income generating activities