

UNIVERSITY OF KWAZULU-NATAL



**Assessing the Use of Housing as a Source of Income in a Rural Settlement in
KwaZulu-Natal, Case of Gingindlovu.**

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A dissertation submitted in partial fulfilment of the requirements for the Masters of
Housing Degree in the School of Built Environment and Development Studies

2020

DECLARATION

I,declare that

1. All the research presented in this dissertation is my own work, except where otherwise indicated.
2. This dissertation has not been previously submitted for any degree at any other university.
3. Furthermore, this dissertation does not contain other people's work and ideas unless the sources are acknowledged.
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DEDICATION

This dissertation is dedicated to my beloved family. No words can express how blessed I am to have you and for you always being there for me throughout this journey. I am so grateful for the support and sacrifices you have made for me. Truly Blessed.

Table of Contents

DECLARATION.....
ACKNOWLEDGEMENTS.....	ii
DEDICATION.....	iii
LIST OF FIGURES	vii
LIST OF MAPS.....	viii
LIST OF PLATES	viii
TABLE.....	viii
LIST OF ACRONYMS	ix
ABSTRACT	x
Chapter One: Introduction.....	1
1.1 Introduction.....	1
1.2 Problem statement	3
1.3 Aim of the study.....	4
1.4 Objectives of the study	4
1.5 Main research question	4
1.6 Subsidiary questions.....	5
1.7 Hypothesis.....	5
1.8 Study justification.....	5
1.9 Outline of chapters	5
1.10 Conclusion.....	6
Chapter Two: Research methodology.....	7
2.1 Introduction.....	7
2.2 Qualitative and Quantitative method	7
2.3 Primary sources.....	8
2.4 Sampling method.....	8
2.5 Interview	10
2.6 Questionnaire	10
2.7 Observation	11
2.8 Secondary data	11
2.9 Data analysis.....	12
2.10 Limitations of the study	12
2.11 Conclusion.....	13

Chapter Three: Conceptual and theoretical framework	14
3.1 Introduction.....	14
3.2 Conceptual framework.....	14
3.2.1 Housing.....	14
3.2.2 Rural settlement.....	16
3.2.3 Types of settlements.....	16
3.2.4 Assets.....	20
3.2.5 The Housing Asset Triangle.....	21
3.2.6 Income generation.....	23
3.3 Theoretical framework	24
3.3.1 Sustainable livelihood approach.....	24
3.3.2 Basic Human Needs Approach.....	27
3.4 Conclusion.....	30
Chapter Four: Literature review	31
4.1 Introduction.....	31
4.2 Housing as an asset	31
4.3 House ownership and its worth as an asset.....	36
4.4 Housing as a commodity	38
4.5 Security of tenure and homeownership.....	39
4.6 The process of value creation.....	43
4.7 The use of houses for income generation purposes: international and local experiences	44
4.7.1 An international experience.....	44
4.7.2 Literature on the local context.....	46
4.8 South African legislative frameworks.....	49
4.8.1 Constitution of the Republic of South Africa (Act No. 108 of 1996).....	49
4.8.2 Housing White Paper of 1994.....	49
4.8.3 Housing as a basic human right.....	50
4.8.4 Reconstruction and Development Programme (RDP).....	51
4.8.5 The Breaking New Ground (BNG) policy of 2004.....	55
4.9 Conclusion.....	58
Chapter Five: Background of the study area	60
5.1 Introduction.....	60

5.2 King Cetshwayo District Municipality	60
5.3 uMlalazi Local Municipality	61
5.4 Gingindlovu	67
5.5 Current analysis of housing demand in uMlalazi Municipality and Gingindlovu	69
5.6 Integration and sustainability of the housing project.....	69
5.7 Conclusion.....	71
Chapter Six: Presentation and discussion of research findings.....	72
6.1 Introduction.....	72
6.2 Findings relating to the housing beneficiaries in Gingindlovu.....	72
6.2.1 Gender and age of respondents and number of years in the area.....	73
6.2.2 Use of housing for income generation purposes.....	75
6.2.3 Livelihood strategies utilised by Gingindlovu residents.....	76
6.2.4 Improvement in standard of living.....	79
6.3 Findings as per the interview with the uMlalazi Municipality official - Department of Human Settlements (DoHS).....	81
6.4 Findings in terms of the literature and theoretical and conceptual frameworks.....	84
6.5 Conclusion.....	87
Chapter Seven: Summary of findings, recommendations and conclusion”.....	88
7.1 Introduction.....	88
7.2 Summary of research findings	88
7.3 Recommendations.....	90
7.3.1 Start-up capital to run businesses.....	90
7.3.2 Education programmes.....	91
7.3.3 Provision of space for income generation activities.....	91
7.4 Conclusion.....	92
References	94
Annexures	105
Annexure 1: Questionnaire 1	105
Annexure 2: Questionnaire 2	109
Annexure 3: Interview schedule for Umlalazi Municipality Housing Unit Official	112
Annexure 4: Informed Consent Resource Template	113

LIST OF FIGURES

Figure 3.1: A compact settlement	16
Figure 3.2: A semi-compact settlement.....	17
Figure 3.3: A hamlet settlement.....	18
Figure 3.4: A dispersed settlement.....	19
Figure 3.5: Housing Asset Triangle	21
Figure 4.1: Ideal South African housing ladder.....	35
Figure 4.2: Rondavels.....	37
Figure 4.3: A beehive dome (<i>iqhugwana</i>).....	37
Figure 5.1: Demographic profile of uMlalazi Municipality.....	64
Figure 5.2: Comparative levels of education between municipalities under King Cetshwayo District Municipality.....	67
Figure 5.3: Black stone memorial.....	68
Figure 6.1: Gender of respondents	73
Figure 6.2: Age of respondents.....	73
Figure 6.3: Years respondents have stayed in Gingindlovu	74
Figure 6.4: Respondents with and without businesses	75
Figure 6.5: Standard of living.....	79

LIST OF MAPS

Map 5.1: King Cetshwayo District Municipality.....	61
Map 5.2: uMlalazi Local Municipality.....	62
Map 5.3: Areas governed by traditional authorities.....	63
Map 5.4: Broad land uses within uMlalazi Local Municipality.....	66
Map 5.5: Aerial view of Gingindlovu and location of housing project (Ward 18).....	70

LIST OF PLATES

Plate 6.1: Tuck-shop.....	77
Plate 6.2: Room turned into a tuck-shop.....	77
Plate 6.3: Fast food shop.....	77
Plate 6.4: Mechanical repairs.....	77
Plate 6.5: Caravan selling fast foods/takeaways.....	78
Plate 6.6: Street vendor.....	78
Plate 6.7: House Extension.....	80
Plate 6.8: High school.....	82
Plate 6.9: Pre-school and day-care centre.....	82

TABLE

Table 6.1: Type of businesses run by participants.....	76
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LIST OF ACRONYMS

ANC:	African National Congress
BNG:	Breaking New Ground
DFID:	Department for International Development
DoH:	Department of Housing
DoHS:	Department of Human Settlements
FIFA:	Federation International de Football Association
GDP:	Gross Domestic Product
HBE:	Home-based Enterprise
IDP:	Integrated Development Plan
IFP:	Inkatha Freedom Party
ILO:	International Labour Organisation
KCMD:	King Cetshwayo Municipal District
LED:	Local Economic Development
NDoH:	National Department of Housing
NHBRC:	National Home Builders Registration Council
NHSS:	National Housing Subsidy Scheme
OECD:	Organisation for Economic Cooperation and Development
RDP:	Reconstruction and Development Programme
RSA:	Republic of South Africa
SDF:	Spatial Development Framework
Stats SA:	Statistics South Africa
UCC:	University College Cork
UK:	United Kingdom
UNESCO:	United Nations Educational, Scientific and Cultural Organisation
UNDP:	United Nations Development Programme

ABSTRACT

Poverty and unemployment, particularly in developing countries, has led to low-income households resorting to different alternatives to make a living. This study assessed the use of housing as a source of income in a rural settlement, namely, Gingindlovu in the KwaZulu-Natal (KZN) Province, South Africa. The aim of the study was to assess whether residents of Gingindlovu extensions 5 and 6 use their state-subsidised houses as a source for income generation. The study's objectives included understanding the use of Breaking New Ground (BNG) houses as an income source in a rural low-income settlement and the challenges experienced by residents in using their BNG houses to generate income. The Sustainable Livelihoods Approach and the Basic Human Needs Approach provided the theoretical framework. In terms of methodology, the study adopted qualitative and quantitative research approach which included an interview, observation and questionnaires as tools for data collection.

Findings revealed the women comprised the majority of the housing beneficiaries who participated in the study. Beneficiaries who used their houses to generate income did so in a number of ways including running spaza/tuck-shops, a hair salon and doing mechanical repairs. Income generated assisted in meeting basic needs. Challenges faced included strong competition among the businesses and a limited market. Beneficiaries who had not established income-generating activities were keen to do so but lacked start-up capital and were hesitant to make use of loans. Recommendations included the need for government to establish financing mechanisms to enable housing beneficiaries to start income-generating activities from their homes and incorporate these mechanisms into new housing projects. Consideration should also be given to providing space in the houses for such activities and incorporating this into the design of the houses. In conclusion, the study emphasises that while the provision of BNG houses has not taken low-income households out of poverty it has, however, contributed to poverty alleviation in those households.

Chapter One: Introduction

1.1 Introduction

Poverty is one of the extreme burdens facing the majority of South Africa's population. This can be attributed to the system of apartheid and the imbalanced nature of business as well as the industrial development which perpetuated it (RDP, 1994). While definitions of poverty vary, a generally accepted one is that provided by the World Bank (1990) (cited in Jackson, 2005). It defined poverty as "the inability to attain a minimal standard of living". Poverty and inequality in South Africa have ethnic, gender and spatial aspects (Triegaardt, 2006). Thus, the concentration of poverty is mostly associated with Black Africans and also rural areas. According to information released by Stats SA (2014) poverty is expected to rise in South Africa. The current "Poverty Trends in South Africa" report reveals that, regardless of the general decline in poverty levels between the years 2006 to 2011, poverty rates in South Africa rose in 2015. In that year the poverty headcount increased to 55, 5% from 53, 2% in 2011 (Stats SA, 2014). This illustrates that even though poverty levels had dropped during certain periods, the level of poverty in South Africa is escalating and there are households who suffer from, and cannot break out of poverty. It is suggested that housing can be used as a tool to help alleviate poverty.

The need for this study arose as a result of the researcher becoming aware of the increasing number of government-subsidised housing beneficiaries (and, by their very nature, low-income earners or unemployed) using their home as a base for income generation activities with the intention of breaking out of, or at the very least, alleviating poverty. A perusal of the local research literature revealed that there was "room" for a study such as this one.

Poverty is a global phenomenon and unemployment is one of the issues associated with it. According to the Housing White Paper (1994), South Africa is characterised by an elevated level of unemployment particularly in the formal part of the economy. The diminishing levels of per capita GDP, as well as the elevated level of unemployment negatively, affects the demand for, and investment in housing as well as reduces

government's capacity to help the needy and unemployed population (Housing White Paper, 1994). The government's initial efforts in dealing with issues of poverty and deprivation were through the Reconstruction and Development Programme (RDP) which intended to set South Africa firmly on the road to eradicating poverty, making land accessible, providing housing to the masses and also meeting other basic needs (RDP, 1994). Moreover, the fundamental objective of the RDP was to better the quality of life of all South Africans citizens, particularly the poor and underprivileged sections of societies (RDP, 1994). The RDP was committed to a programme of sustainable development. (The RDP is further mentioned below and discussed in more detail in Chapter Four).

According to Mahomed (2000), sustainable development basically means positioning settlements closer to economic opportunities. Providing public services such as health centres and educational and recreational facilities that enable the formation of viable societies with a sense of a place as well as a sense of belonging, are also significant (Mahomed, 2000). Moreover, the distribution of income in South Africa is a result of previous racially-based policies (apartheid era), and remains significantly unfair, prompting powerful arguments in favour of economic redistribution (Housing White Paper, 1994). Furthermore, the Housing White Paper of 1994 points out that while low-income households have a more restricted savings capacity compared to high-income households, the low-income households' savings are more directed toward specific needs, for instance, housing and education (Housing White Paper, 1994).

According to Mbambo (2013), in an attempt to deal with housing problems, the democratic government introduced the Housing White Paper in 1994 as the first post-apartheid housing policy. Mbambo (2013) further explains that the policy was used to develop the RDP low-cost houses. The RDP was an integrated, coherent socio-economic policy framework. It sought to mobilise every individual and the country's resources toward the final elimination of the apartheid system and the creation of a democratic, ethnically diverse future (RDP, 1994).

In terms of tenure, the post-apartheid government had to ensure different tenure options including individual and collective house ownership as well as rental and various housing types (RDP, 1994). The Department of Housing (DoH) (1994) cited in Mbambo (2013) argued that such houses were envisaged as a tool to address income poverty that affected many societies in post-apartheid South Africa. The Department further argued that alleviating income poverty was to be accomplished by guaranteeing that recipients achieved security of tenure through the ownership of a house and a site, as well as local economic development by supporting microeconomic activities run by households. The BNG has subsequently extended the size of a house from the previous 20-30 square meters to 40 square meters and the houses have also improved in terms of the structure thus enabling beneficiaries to use their houses for different activities while living in them.

1.2 Problem statement

Apartheid rule was based on separate development for different races and where areas designated for whites would enjoy the provision of better services when compared to black areas (Horrel, 1963). As a result, housing problems became worse in black townships. Houses in black townships could not be used as a productive asset to generate income by households as they were very small in size, overcrowded and located far from economic opportunities (Horrel, 1963).

A problem aligned with the RDP houses is that they are often situated on a piece of land too small to support home-based enterprises (HBEs) (Mbambo, 2013). Therefore, in this respect, the RDP houses did not adequately address income poverty. Mbambo (2013) points out that the houses failed to meet the Housing White Paper's objective that speaks to reducing income poverty in that they were unable to be used as an asset for disadvantaged families. Tissington (2011) argues that the delivery of houses has not had enough impact on poverty alleviation and houses have been unable to become the financial, social and economic assets they were expected to in the early 1990s.

One of the most pressing challenges facing developing countries that delays or prohibits the delivery of low-income housing is the scarcity of suitable land for housing developments that is well located and close to employment areas as well as economic

opportunities. This is due to affordable land being on the periphery or edge as opposed to expensive land being in the better located, central places (Moroke, 2009).

Thus, the role of the RDP low-cost houses was to alleviate income poverty by ensuring that housing beneficiaries achieved security of tenure through the ownership of a dwelling and a site; as well as local economic development by supporting small-scale economic activities run by households (Department of Housing, 2004). However, as outlined above, while providing security of tenure, the RDP low-cost houses failed to provide an effective solution to income poverty reduction of the poor communities (Department of Housing, 2004).

1.3 Aim of the study

The aim of the study was to assess the extent to which the residents of Gingindlovu used their state-subsidised houses as sources for income generation.

1.4 Objectives of the study

The objectives were:

- 1.4.1 To understand the use of the BNG houses as an income source in a rural low-income settlement.
- 1.4.2 To establish the challenges experienced by residents in using their BNG houses to generate an income.
- 1.4.3 To explore the factors that contributed to the residents using their BNG houses as income sources.
- 1.4.4 To determine the extent to which the residents living conditions changed through the use of BNG houses to generate income.
- 1.4.5 To investigate the role of institutions in assisting low-income residents in using BNG houses as income sources.

1.5 Main research question

To what extent do the residents of Gingindlovu use their state-subsidised houses as sources of income?

1.6 Subsidiary questions

- 1.6.1 How are the BNG houses being used as income sources in a rural low-income settlement?
- 1.6.2 What are the challenges being experienced by residents in using their BNG houses to generate an income?
- 1.6.3 What are the factors that contributed to the residents of Gingindlovu using their BNG houses as income sources?
- 1.6.4 How have the beneficiaries living conditions changed through the use of the BNG houses to generate income?
- 1.6.5 What is the role of institutions in assisting low-income residents in using the BNG houses as income sources?

1.7 Hypothesis

The use of housing as a livelihood strategy contributes to poverty alleviation and to a change of the living conditions of low-income people.

1.8 Study justification

This study examined housing as an income source in a rural area. Most studies focussing on how the poor survive have an urban bias. This study, therefore, makes a contribution to the body of knowledge on housing in terms of understanding housing as an economic asset and its role in contributing to poverty alleviation in a rural area. Gingindlovu was chosen as a case study on the basis that it is situated in a rural area, is a recipient of BNG housing and that little research has been conducted in the area since BNG houses were built.

1.9 Outline of chapters

Chapter one

This chapter provided the introduction to the study followed by the problem statement, objectives and research questions underpinning the study, the study hypothesis and, penultimately, the justification for the study.

Chapter two

This chapter comprises of the research methodology used to address the research problem.

Chapter three

This chapter consists of the conceptual and theoretical framework used for the study.

Chapter four

This chapter comprises a review of the literature. The local and international experiences with regard to the use of houses for income generation purposes will be discussed in this chapter.

Chapter five

Chapter five provides a detailed description, including a map, of the Gingindlovu location.

Chapter six

In this chapter, the findings of the study that emerged from the data analysis are presented and discussed.

Chapter seven

The summary of findings, recommendations based on the findings and a final conclusion will be provided in this, the last chapter.

1.10 Conclusion

This chapter has presented the foundation of the entire study, it has focused on the introduction, problem statement, aim and objectives, subsidiary questions it has further provided the hypothesis, study justification and also outline of the chapters.

Chapter Two: Research methodology

2.1 Introduction

This chapter concerns the research methodology that was used to conduct the study. It will explain how data was collected through the use of qualitative techniques. Using these techniques, the researcher gathered information and an understanding of individuals' perspectives of their own situations in the field. Also discussed is the sampling method used as well as the data analysis. The chapter ends with the limitations of the study.

2.2 Qualitative and Quantitative method

For this research, both qualitative and quantitative approaches were used to gather primary data. According to Miles et al. (2013), qualitative data is defined as well-grounded, widespread descriptions and explanations of human processes. It is argued that with qualitative data one can preserve historical order, get a clear picture on which incidents led to which outcomes and develop meaningful explanations (Miles et al., 2013). Furthermore, there is a possibility that qualitative data may lead to unforeseen findings and this may help a researcher get information beyond what was initially anticipated, and also assist with the development of conceptual frameworks. Creswell (2012) states that in qualitative research, the researcher depends on the informants' perspectives to gather information by asking questions that are not too narrowly focussed and that allow informants to express their views. In using a qualitative approach, the researcher collects data made up of mainly words from informants; narrates, analyses words and develop themes; and conducts the inquiry in a more subjective, biased manner. Hence, this kind of research usually involves taking notes of participants' perspectives and finding common themes in the data (Creswell, 2012).

Patton (1990) argues that qualitative research tends to utilise inductive investigation which implies that the important themes arise from the information obtained. Patton (1990) further states that this requires a degree of inventiveness as the researcher needs to arrange the raw data in coherent and significant categories, analyse them in an all-encompassing manner and figure out how to interpret them for other people (Patton,

1990). Qualitative research studies can provide important information, for instance, insights regarding human conduct, reactions and character qualities that quantitative studies are unable to provide. Furthermore, qualitative data consists of information about individuals' practices, needs, desires, patterns and other information that are crucial for the research topic.

2.3 Primary sources

Hox and Boeije (2005) assert that primary data is the form of data gathered for the particular research problem at hand, using procedures that best fit the research problem. Primary data is raw data (it is gathered intentionally for the research objectives), and it is accessible through the use of approaches such as experiments, observations, group discussions, surveys as well as interviews (Mazeka, 2014). Moreover, for the purpose of this study, primary data was collected in the form of three qualitative techniques, namely, interviews, questionnaires and observation (these are discussed below).

Hox and Boeije (2005) cited in Mazeka (2014) state that the good thing about primary sources of data is that the data gathered is original and appropriate to the research topic. The gathered data is dependable simply because it is collected by concerned and trustworthy individuals and because it is original it may, therefore, provide a more realistic perspective for the researcher. In addition, Mazeka (2014) states that with primary sources of data the level of precision is greater as it can be gathered in numerous ways, and this includes interviews, questionnaires as well as observation.

2.4 Sampling method

A sample is defined by Mazeka (2014) as a set of informants chosen for the purpose of a study from the entire population. Sampling is defined as the procedure or method of choosing an appropriate sample from a population for the purpose of determining characteristics of the entire population that will give intended results. Therefore, for the purpose of this study, a sample of 20 beneficiaries were selected from the study area this amounted to 15 percent of the total number of households, that is 143 free-standing BNG housing units that had been constructed in Gingindlovu extensions 5 and 6. These beneficiaries were placed in two categories: 10 had started income generation activities

from their homes (running HBEs); while the other 10 had not started any income generation activities from their home. Therefore, stratified sampling was used for each category of respondents. Neyman (1934) points out that stratified sampling involves a sampling design in which the finite population is divided into various sub-populations, known as strata, and the sample units are put together separately across each stratum.

To identify respondents in each stratum (or category) snowball sampling, initially introduced by Goodman (1961) as a means for studying the structure of social networks, was used. Snowball sampling is said to be a convenience sampling method for studying hard-to-reach populations. It is also stated by Patton (1990) that “this is an approach for locating information-rich key informants or critical cases”. Therefore, snowball sampling was used to select respondents who had either started running HBEs from their homes or had not done so. This technique helped the researcher to easily select beneficiaries from the two categories because once the first beneficiary or respondent was identified who met either of the two criteria there was the strong possibility that he or she would be able to refer the researcher to one or more other potential respondents meeting the criteria. This process continued until 10 beneficiaries in each of the two categories had been identified and had agreed to participate in the study. The categorisation of the respondents into two groups helped in understanding the main reason/s for households either running or not running income-generating activities from home and the challenges they faced in this regard. Furthermore, it enabled the researcher to understand what other sources of income and survival strategies were adopted by beneficiaries to provide for their daily households needs, particularly those not running income generation activities from their homes.

In addition to the 20 beneficiaries who comprised the sample, an uMlalazi municipal official was purposively selected on the basis that he was the official responsible for the delivery of BNG houses at Gingindlovu and was thus closely involved in the project.

As noted above, the study made use of various qualitative and quantitative data collection techniques and each of these is discussed in turn, starting with the interview.

2.5 Interview

According to Hox and Boeije (2005), interview is regarded as a common method of collecting data in qualitative research. During the interview, the interviewees are given the chance to speak about their incidents, views and other things. Interview guides are used with a range of topics or themes that can be adjusted during the interview (Hox and Boeije, 2005). The semi-structured interview guide used in this study provides a clear set of instructions for the interviewer and can provide reliable and comparable qualitative data (Cohen and Crabtree, 2006). The benefit of using semi-structured interviews is that questions can be prepared ahead of time. It further provides interviewees with the liberty to voice their opinions in their own words.

In this study, an interview was used for the uMlalazi municipal official responsible for housing delivery as described above. While interviews can be time-consuming and difficult to set up It was considered an appropriate data collection technique to ascertain the perspective of the official regarding low-income residents using their BNG houses as income sources and, in particular, to determine what programme/s is/are in place to assist low-income residents to start and sustain their businesses. Annexure 3 contains the interview schedule used for the municipal official.

2.6 Questionnaire

This study also used the quantitative method in a form of questionnaires to gather information from the respondents, Fischler (2012) defines quantitative method as a type of research that involves a researcher to decides what to study; ask specific and narrow questions as well as collects quantifiable data from respondents; analyzes numbers using statistics and also conducts the inquiry in an unbiased manner. According to Mazeka (2014), the questionnaire is a formal set of questions for getting data from recipients. The questionnaire used in the study consisted of both open-ended as well as closed questions. The latter assisted in ensuring that respondents gave precise responses while the former allowed respondents to provide and elaborate on their own views. The questionnaire was the main data collection technique used in the study and was directed

(and designed for) the sample of 20 respondents who were beneficiaries of the BNG houses.

Given the two categories of respondents, two questionnaires were designed (see annexure 1 and 2), the first was directed at the 10 respondents who were involved in income-generating activities from their homes. Amongst other information elicited from these respondents were the challenges that they experienced in using their homes for income-generating activities as well as the factors that contributed to them doing so. The second questionnaire was directed at the 10 respondents who were not conducting income-generating activities from their homes and, amongst other information obtained from them was the reason/s why no such activities were being conducted. Both groups of respondents were asked to shed light on the extent to which their living conditions had changed for better or worse as BNG housing beneficiaries.

2.7 Observation

Observation is one of the commonly used qualitative techniques in which a researcher gathers information by engaging themselves in a research study area through orderly observation of interactions and events (Hox and Boeijs, 2005). Thus, in terms of the present study, the researcher collected data by observing and taking pictures of households who were using their homes for income generation activities. In addition, this method was used to verify and consolidate some of the findings from the questionnaire and interview. In support of using observation, Mack et al. (2005) consider it an appropriate way of collecting data of naturally occurring behaviors in their usual context. Therefore, for the purpose of this research focus was on the settlement of Gingindlovu Ext 5 and 6 where the researcher observed households that had started income-generating activities (or businesses) from their homes as well as households that had not done so.

2.8 Secondary data

Wood (1991) asserts that secondary sources of data are second-hand accounts of events, settings, individuals or themes, which emanate from the writer's experience.

These sources comprise books, pamphlets, newspapers and other material. Furthermore, secondary sources of data include evaluation and interpretation or analysis of the original information (Wood, 1991). For the purpose of this study, secondary sources of data included journal articles, books, dissertations (provided useful materials on research relating to the research topic), government publications (provided information on recent events relating to the study), newspaper articles and internet sources. The information obtained was not only on the local South African context but also covered international experiences as well. All these sources provided information on the topic of the study and by doing so helped to answer the research questions posed in the previous chapter.

2.9 Data analysis

Marshall and Rossman (1999) cited in (Bangani, 2018) state that data analysis involves providing order, structure and meaning to the often-large amount of collected data. The analysis of data (collected via an interview, questionnaire and observation) in the study was carried out utilizing a qualitative analysis method whereby the large number of words of the participants was organized and narrowed down so as to present relevant data (Weber, 1990). The qualitative analysis method used was thematic analysis. Maguire and Delahunt (2017) describe a theme as a pattern that reveals the importance of the information as well as the research question/s for a particular study. Furthermore, thematic analysis is referred to as the method for establishing trends or themes in qualitative data (Maguire and Delahunt, 2017). Therefore, the data collected in the present study was analysed according to themes that were generated by the data itself. An example of this was the use of a house for income generation and other themes included the challenges and experiences the beneficiaries (respondents) faced. It was also useful to analyse data collected from individual households in order to get their point of view.

2.10 Limitations of the study

The residents of Gingindlovu were wary of participating in the study as they feared that whatever information they share could negatively impact their chances of receiving

government services. Therefore, these limitations were overcome by assuring them that the research was mainly for academic purposes as well as providing university documentation as a proof.

2.11 Conclusion

This chapter has presented the methods used in conducting this study, which is both qualitative and quantitative approach. The reasons for each adopted research methods were presented in this chapter and sampling as well as data analysis.

Chapter Three: Conceptual and theoretical framework

3.1 Introduction

This chapter provides the conceptual and theoretical framework that informed the study. This chapter is divided into two sections: the first section provides the conceptual framework. Under the conceptual framework the important concepts used in the study are defined and in doing so it will provide an understanding of what each concept means for the study. Concepts defined include housing, rural settlement and income generation. The second section presents the theoretical framework used for the study. Theories that informed and influenced the study are the sustainable livelihoods approach and the basic needs approach.

3.2 Conceptual framework

The following are the key concepts that informed the study:

3.2.1 Housing

There is no universal definition of housing – different scholars have defined the term differently. However, they all used common terms in their definitions. According to Henilane (2016) “Housing is one of the most important life components giving shelter, safety and warmth, along with a place to rest.” Henilane (2016) further states that the necessity for housing is not only one of the basic human needs but also a measure of people’s living conditions. Furthermore, Grimes and Orville (1976) noted that the concept of housing in the past was allied with a physical occurrence and a country’s policies for its provision were generally associated with building costs that may differ depending on the kind of building material used, the building standards as well as the quality of construction.

Housing has a meaning beyond just being considered a shelter or a place to stay and has to be understood in the basis of an individual’s actual living environment, including the shelter itself and what it is surrounded by (Iheme et al., 2015). Furthermore, Iheme et al. (2015) also emphasised that housing is crucial to one’s life, offering protection from the harsh elements of climate, facilities, relaxation and the full growth of family life. More

practically, housing has been defined by Kabir and Bustani (2010) cited in Iheme et al. (2015) as buildings or other shelters in which individuals reside, a dwelling or unit and, to a country, a significant component in economic and social strata. Moreover, housing needs for low-income households have recently become the typical way in which the essence of housing issues worldwide are encapsulated (Iheme et al., 2015).

Housing is important to the growth and welfare of most societies. It is a multifaceted asset, with linkages to health, livelihood, security, education, social as well as family stability (Barakat, 2003). Furthermore, housing serves as a social hub for its users, it is a source of pride and cultural identity. Housing is considered a resource of political and economic importance (Barakat, 2003). Housing is defined by King (2015) as a store of wealth and people thus need to be aware of the fact that the house is an asset that can be used by its owner. King (2015) further explains that individuals can, in this regard do many things including starting a small business that, in turn, can help to earn an income. Individuals can then use that income to cater for their basic needs, for instance, paying tertiary fees for their children.

Onibokun (1983) argues that housing is not only a basic need but is also an essential component of an individual's welfare, life sustenance and survival. Housing has been rated second to food in the hierarchy of people's needs and is considered to have a major impact on the efficiency, health, social behaviour fulfilment and general welfare of society. According to Campbell, Converse and Rodgers (1976) cited in Olayeni (2014), housing is seen as a key determining factor of quality of life that can be measured at the individual, household and societal levels. Furthermore, as has been emphasized above, it is also recognized worldwide as one of the basic essentials of life and a necessity for the existence of an individual (Olayeni, 2014).

For the purpose of this study, housing referred to the BNG houses which were constructed in Ward 18 Gingindlovu Ext 5 and 6 under the uMlalazi Municipality.

3.2.2 Rural settlement

A settlement is defined as a place where individuals live and where they may be engaged in different activities, for instance, trade, manufacturing and agriculture. Nagle (1998) states that rural settlements are hamlets and villages. Rural settlements are defined by Mandal (2001) as settlements that are primarily agricultural in character. Moreover, rural areas are characterized by low population densities, extractive industries (focus is on raw materials) and settlements that are small in scale (Nagle, 1998). A rural settlement is a category of rural area in which rural inhabitants live and take part in production, resulting from interactions of local people with the economic, social, natural and cultural environments (Yang et al., 2015).

3.2.3 Types of settlements

Settlements differ in type and size. Firstly, there is the compact settlement which, according to Kumar (2018), is a settlement where houses are stacked at one place or closely placed along streets. In small settlements of this type, the concentration of dwellings varies from thirty to forty. However, with large settlements, the housing concentration reaches one hundred and above. In most densely populated areas where houses are usually constructed close to one another, this settlement type can be easily identified. Figure 3.1 below depicts a compact settlement.

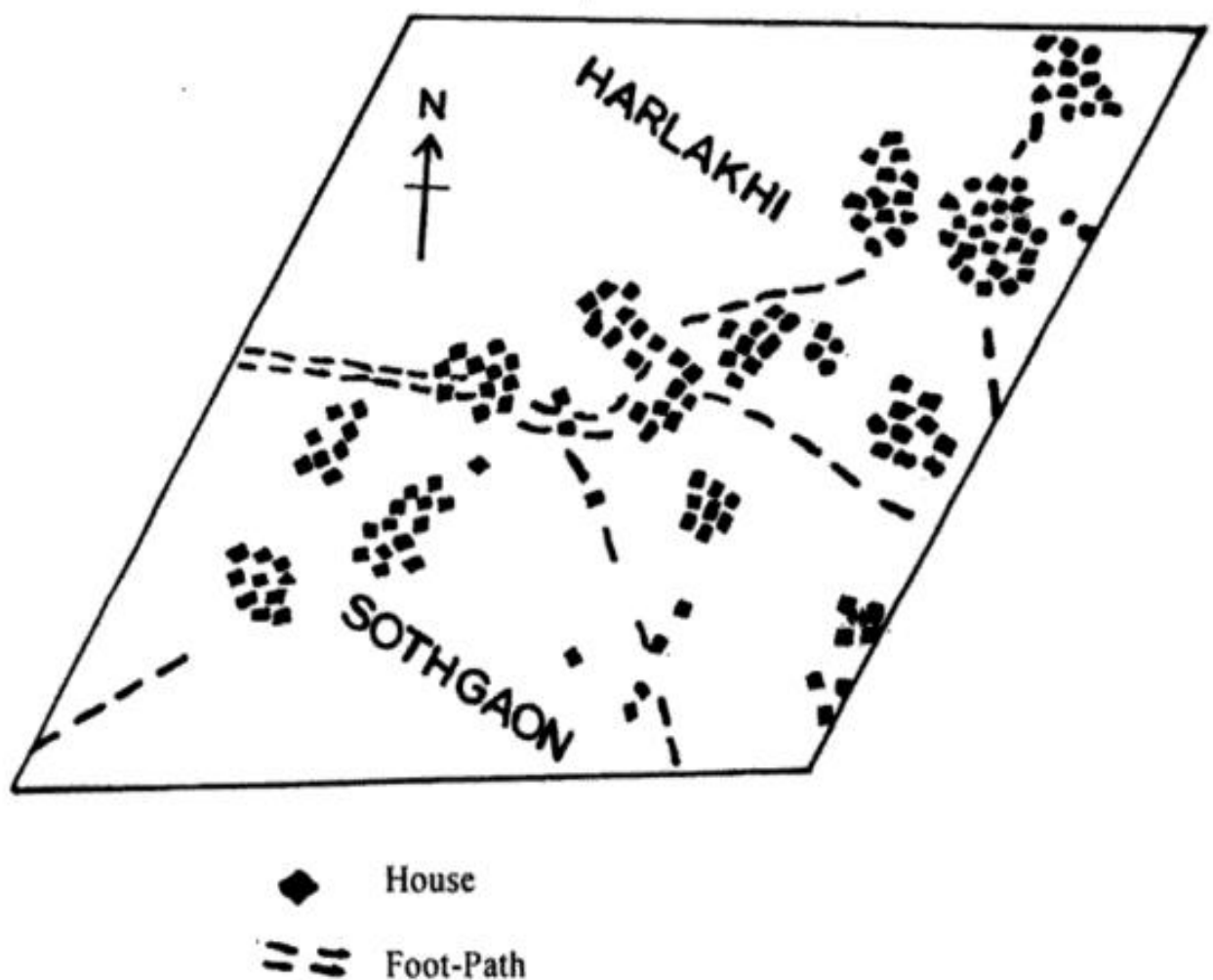
Figure 3.1: A compact settlement



Source: (Parthan 2012; page 12)

The second type is the semi-compact settlement which is described by Kumar (2018) as a combination of the compact and hamlet settlements. Basically, this type of settlement is considered to be in a transformation phase moving toward a compact or nucleated setting. Therefore, in this type of settlement one main village could be noticeable with some linking of small hamlets by footpaths and other forms of tracks. Figure 3.2 below illustrates the semi-compact settlement.

Figure 3.2: A semi-compact settlement



Source: (Mandal,1979; page 8)

The third type of settlement is the hamleted settlement which comprises several small settlements (hamlets) as well as individual housing units physically divided from each

other but linked via footpaths or cart-tracks (Kumar, 2018). This division of a large village is mostly influenced by social and ethnic factors and the primary settlement does not have much effect on other units. A hamleted settlement is depicted in Figure 3.3 below.

Figure 3.3: A hamlet settlement



Source: (Nagle, 1998; page 32)

Lastly, there is a dispersed settlement which is defined by Balasubramanian (2015), as a type of settlement that has no central point. Normally, dispersed settlements are found in areas where land is needed. The houses are scattered from one another and this normally occurs where the land is hilly. Thus, only a few buildings can be constructed in the area and this results in a dispersed settlement (as reflected in Figure 3.4 below). The dispersion of settlements is usually triggered by the extremely fragmented nature of the land resource base as well as terrain.

Figure 3.4: A dispersed settlement



Source: (Nagle, 1998; page 5)

In this study, rural settlement refers to the location of Gingindlovu where the BNG housing project took place and houses were delivered to targeted individuals (the beneficiaries). In terms of the types of settlements described above, the housing settlement which emerged from the implementation of the housing project could best be described as a semi-compact settlement as it is linked and in close proximity to other settlements. (Map 5.5 in Chapter Five provides an aerial view of Gingindlovu as well as the location of the housing settlement.)

3.2.4 Assets

According to Harrison (2006), an asset is an entity from which the economic holder can derive a benefit or chain of benefits by keeping and by utilizing an entity over a certain duration, from holding or by using the entity over a certain period of time, from which the economic holder has gain profit in previous periods and is still gaining profit in the present time. Since it represents a stock of future benefits an asset, therefore, can be viewed as a store of value. In a similar vein, Nobes (2005) defined an asset as a resource controlled by an entity emanating from previous incidents and from which future economic benefits is anticipated to flow to the entity.

According to Peterson (2002), an asset refers to anything likely to contribute to future economic gain. An asset for the purpose of this study referred to the use of the BNG houses built in Gingindlovu ext. 5 and 6 to generate income for the survival of the households. Assets are classified into two categories, namely, tangible and intangible (Peterson, 2002). Firstly, the tangible assets are those assets that one can feel, touch or hold. Normally tangible assets are called fixed assets in accounting literature – they are the physical things that businesses utilize in the production of goods and services. They comprise the production facilities, equipment and building (Peterson, 2002). Intangible assets are primarily financing items, and include bonds, mortgages and stocks.

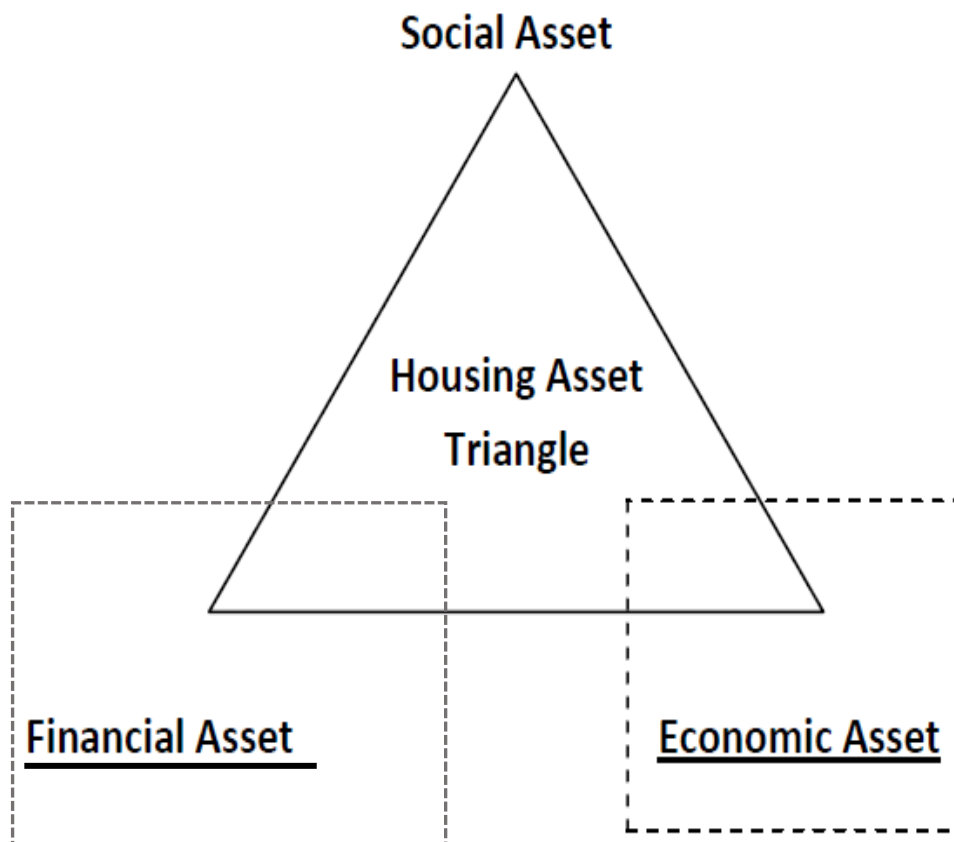
3.2.4.1 Characteristics of assets

There are three important characteristics of an asset noted by Peterson (2002): the first characteristic is that it represents a probable future benefit that includes the capacity, separately or in grouping with other assets, to directly or indirectly generate future net cash inflows. Secondly, a certain entity can get the benefit and be able to control the access of others to it. This means that the entity must have the power to control the future economic benefits to such an extent that it can enjoy the benefits and reject or control the access of others to the benefits. Thirdly, the transaction or any other occasion giving rise to the entity's right to, or control of, the benefit has already occurred.

3.2.5 The Housing Asset Triangle

The Housing Asset Triangle is a concept derived by Rust (2007), and the idea is that of describing housing as encompassing social, financial and economic asset values which are represented by each of the corners of a triangle. This is depicted in Figure 3.5 below.

Figure 3.5: Housing Asset Triangle



Source: (Rust, 2007; page 46)

Firstly, housing as a social asset means that the house safeguards people's security of tenure (sense of citizenship) and therefore acts as a social safety net and gives a sense of ownership in the certain area where the house is situated (Rust, 2007). Moreover, the social asset value of a house is recognized in the sense that it delivers the aforementioned

points and, in providing subsidized housing, the government is automatically providing beneficiaries with a crucial social asset that will assist them to maintain their livelihoods as well as enhance their income and security. According to Gordon, Bertoldi and Nell (2011) housing is a social asset in the sense that it contributes towards citizenship building, offering the resident household a physical address and thereby linking them in with the local governance system. This also touches on access to social benefits which includes community support, networks and so forth.

Secondly, housing is labelled as a financial asset which means it alleviates the inability of poor households to access finance by using the house as collateral against bank loans and other similar sources of finance (Rust, 2007). The financial asset becomes crucial when the owner or household wishes to improve their housing situation by deciding to sell their current home and buy a better home that is more suited to their needs. This is also emphasized by the BNG initiative as it refers to housing as a financial asset. Moreover, the financial asset offers households an opportunity to move out of their present situation to one with a better and much greater potential for wealth and growth.

However, it has been noted that the operation of a house as a financial asset strongly depends upon a functioning secondary (resale) property market, as well as strong ties between the primary and secondary markets. In addition, it also depends on how municipalities operate, for instance, with regard to municipal management (such as the provision of services, utilities and so forth). Thus, in an area where the municipality manages its services and utilities well, that area is "investment grade" and contributes to property price appreciation. Gordon, Bertoldi and Nell (2011) argue that when a house is traded the values of the transaction contribute towards a household's actual wealth which can then be re-invested in better quality and more appropriate housing suited to the family's individual circumstances.

Thirdly, housing categorized as an economic asset means the house enables households to use it for income generation purposes. The economic component of a housing asset comprises its income earning potential as well as the extent to which it can add towards

sustainable livelihoods. In a situation where there is a high level of unemployment, income that can be earned from housing such as the practice of HBEs, or the use a portion of the house to offer accommodation for rent becomes extremely crucial. Rust (2007) argues that in many instances the quality of a house supporting the income-earning opportunity is normally poor. Therefore, this suggests an opportunity for investment in the enhancement of the structures concerned (and therefore an opportunity for incremental building and so on). Moreover, Rust (2007) argues that if households are allowed to secure credit and savings over time through using their house as an economic asset (referring to the income-earning potential of the household using the house for the operation of HBEs, for example), this will create sustainable livelihoods.

For the purpose of this study, the focus will be on housing as a financial and economic asset. The Housing Asset Triangle concept relates to this study as the aim of the study is to assess whether residents of Gingindlovu Ext 5 and 6 use their state-subsidised houses as sources for income generation. Use of the triangle will help the researcher broaden her understanding of the use of houses as sources of income. Thus, the study will use the Housing Asset Triangle concept to assess the use of houses as sources of income in a rural settlement using the financial and economic “angles” of the triangle.

3.2.6 Income generation

Originally, income generation was a term used by economists to describe the intricacies of a nation’s economy (UNESCO, 1993). However, it is now quite widely used to cover a range of productive activities by individuals in society. It should be noted that income generation takes many different forms. In a nutshell, income generation means gaining or increasing income. In terms of this study, these activities can include using the house as an economic asset, for instance, running a HBE.

According to Biradar (2008), there are three ways in which income can be generated. Firstly, Biradar (2008) emphasised that income generation does not always mean the getting of money, even if in the end one uses the money to place a measurable value on the goods and services people produce. An example used to illustrate that income

generation does not necessarily lead to receiving money is the situation where a productive individual produces an adequate amount of food to feed him or herself and the whole family. A second way in which one can generate income is through an astute investment of existing resources (Biradar, 2008). An example would be the development of an existing piece of land through growing crops for sale. Therefore, the money gained is income. A third instance is where individuals utilise their skills by serving another person who pays for the use of those skills (Biradar, 2008). In return for serving a person, they get paid or earn wages.

For the purpose of this study, income generation refers to the activities utilized by the BNG housing beneficiaries in Gingindlovu Ward 18 of the uMlalazi Municipality in using their houses with the intention to earn income (money) so they can satisfy their basic needs.

3.3 Theoretical framework

Two theories informed and influenced the study, namely the sustainable livelihood approach and the basic human needs approach and both are discussed below.

3.3.1 Sustainable livelihood approach

The concept of sustainable livelihood is an attempt to go beyond conventional definitions and approaches to poverty alleviation (Krantz, 2001). Moreover, these definitions and approaches had been discovered to be too narrow simply because their focus was more on particular aspects or manifestations of poverty such as low income, and did not take into account other important aspects of poverty such as vulnerability and social inclusion (Krantz, 2001). However, it is now recognized that more attention must be paid to the various factors and processes which either hinder or enhance poor people's ability to make a living in an ecologically, economically and socially sustainable manner. Therefore, the sustainable livelihood concept provides a more coherent and integrated approach to poverty.

The sustainable livelihood idea was initially introduced by the Brundtland Commission on Environment and Development as an approach for associating socio-economic and ecological considerations in a cohesive, policy-relevant structure (UNDP, 1997). The concept was then expanded by the 1992 United Nations Conference on Environment and Development, particularly in the context of Agenda 21, and advocated for the achievement of sustainable livelihoods as a broad goal for poverty eradication. Furthermore, the UNDP (1997) states that the concept of sustainable livelihood could serve as an incorporating factor that permits policies to address development, poverty eradication as well as providing sustainable resources management at the same time. This study tested the principles of the sustainable livelihood approach asking whether the delivery of BNG houses was able to address development and bring about the eradication of poverty.

According to Chambers and Conway (1992) livelihoods comprise the capabilities, assets (which include both material and social resources) and actions necessary for a means of living. It is said that a livelihood is sustainable when it can cope with and recover from stresses and shocks and enhance its capabilities and assets, both present and in the future, while not damaging the natural resource base (Chambers and Conway, 1992). According to Morse and McNamara (2013), the focus is on effective poverty alleviation, sustainable development and economic growth. This study also determined whether people (housing beneficiaries) could use their homes as a source of livelihood and whether they could survive on the businesses they run from their houses.

In relation to the above definition by Chambers and Conway (1992), of the various components of a livelihood, the most complex is the portfolio of assets from which individuals construct their living and which includes tangible assets and resources, as well as intangible resources such as access and claims (Krantz, 2001). Furthermore, in order to fully understand the complex and differentiated processes through which livelihoods are constructed, Scoones (1998) argues that it is not enough just to analyze the various aspects – one must also analyze the institutional processes and organizational structures that tie these aspects together.

According to Dianga (2011), livelihoods connote the activities, entitlements and assets by which individuals make a living. Dianga (2011) explains that sustainable livelihoods describe the ties between all levels and factors that affect households. This includes how households secure their assets, what it is they do with them, what gets in their way while getting them and who has authority over the resources on which the assets are based. Dianga (2011:30) further states that “It [sustainable livelihoods] recognizes that households need access to assets so as to provide for their basic needs and to gradually increase them over time.” In addition, these assets assist households by protecting or buffering against numerous forms of vulnerability.

According to Krantz (2001), there are three insights into poverty which underpin the sustainable livelihood approach. The first is the realization that while economic growth may be crucial for poverty reduction there is not an automatic relationship between the two. It does all rely on the capabilities of the poor themselves to take advantage of increasing economic opportunities. Secondly, there is a realization that poverty, as perceived by the poor themselves, is not just a matter of low income but also includes aspects such as illiteracy, a lack of social services, a state of vulnerability and so forth. Thirdly, it is now acknowledged that the poor themselves often know their situation and needs best. As a consequence, they must be part of the design of policies and projects that are intended to better their living standards.

According to the Department for International Development (DFID (2001) the livelihood approach puts people at the core of development. This means that the focus on people is equally important at higher levels (when thinking about the achievement of objectives such as poverty elimination, sustainable development or economic reform) as it is at a community level. Moreover, the DFID (2001) states that at a practical level, this means that the approach:

- Begins with the analysis of an individual's livelihoods and how these have been altering over a certain period of time.
- Fully includes individuals and respects their ideas.

- Concentrates on the impact of different policy and institutional arrangements upon households as well as upon the dimensions of poverty they define.
- Emphasizes the significance of influencing policies and institutional arrangements in order to promote the agenda of the poor (a key step is political participation by poor people themselves).
- Works to support individuals to achieve their own livelihood goals.

The approach relates well with this research as it focuses on the use of BNG houses as an asset. It also goes beyond owning a dwelling and talks to the overall improvement of the residents' comfort or well-being. Therefore, for the purpose of this study, this approach was applied to assess whether the residents of Gingindlovu Ext 5 and 6 (the housing beneficiaries) used their state-subsidised houses as a source for income generation. In particular, this involved exploring or understanding the use of the BNG houses as income sources and whether they contributed to a change in the living standards of the beneficiaries.

3.3.2 Basic Human Needs Approach

The Basic Human Needs Approach to development emerged during the 1970s (Leipziger, 1981). The notion of addressing basic needs as the goal of development policy was initially presented in a report on *Employment, growth and basic needs* by the International Labour Organisation (ILO) (Clark, 2006). This notion was recognised and earned policy impact after it came to the attention of the leader of the World Bank who established a commission to work explicitly on basic needs. The work of the commission was published and the approach, known as the basic needs approach, became popular. The basic needs approach was also part of the reaction to the outcomes of the statist pro-growth approaches implemented by several countries during their early development programmes (some of which were successful in certain areas (Clark, 2006). Jones (2001) does point out that many countries at that time were facing relatively high levels of economic growth. On the other hand, some of the development programmes adopting this approach were not successful, leaving large numbers of households trapped in poverty, with many unmet basic needs as well as high rates of unemployment (Clark, 2006). Moreover, many people had no access to the goods and services needed to

sustain an acceptable minimum standard of living (Jones, 2001). It was in this context that the basic needs approach emerged – one which prioritised meeting the basic needs of all individuals and seen as taking a direct approach to poverty alleviation (Jones, 2001).

Clark (2006) argues that income is not only what poor household's need and that there are other necessary goods and services that could be provided to every individual thereby granting them an opportunity to live their lives to the fullest. Money on its own might not be sufficient to cater for all basic needs. The reason for this is those essential core elements such as health services, education as well as good water supplies rely on public production and distribution.

The ILO (1976) defined basic needs as the minimum standard of living which a community should set for those in need. In terms of this, the minimum requirements for individual consumption of food, clothing and shelter should be met. The accessibility to important amenities such as hygiene, health, education, safe drinking water and transport were considered important for the daily living of a person. While the narrower definitions of basic needs tended to concentrate on access to health, housing and education services (González, 2004), the broader definitions alluded to by González (2004) encompassed factors such as social segregation and discrimination on account of religion, gender or ethnic group.

The Basic Human Needs Approach aims to fulfil the unmet basic necessities of underprivileged individuals. This approach recognises that individuals who are struggling to meet their basic needs are faced with poverty which can be life-threatening. Therefore, the Basic Human Needs Approach symbolises an explicit effort to single out the needs of the poor in third world countries as well as to specify a package of amenities that are needed if they are to reach a minimal survival level irrespective of where they live. As alluded to above, the minimum requirements to meet basic human needs comprise shelter, sanitation, food and the like.

Importantly, the Basic Human Needs Approach is regarded as an approach for growth, income generation as well as employment (Leipziger, 1981). It is said that the approach is considered crucial in measuring absolute poverty in developing countries. In this regard Jolly (1979) argues that it tries to describe the absolute minimum resources essential for the welfare of individuals in the long run; this is generally in terms of the consumption of goods. The Basic Human Needs Approach, when looked at in terms of well-being, is more concerned with outcomes. This emerged from the realisation that economic strategies to development that concentrated on incomes and evolution were chaotic. Proponents of economic strategies perceive accumulating incomes and faster growth as representations for improved well-being. However, the basic needs proponents argue that this depends on certain aspects: Firstly, it relies on whether money is consumed in fulfilling basic needs where there are deficits. The second reason is that it depends on how income and the positive welfare benefits of increased income, are distributed between and within various social groups. It does need to be pointed out that the basic needs approach focuses more on key indicators that are seen as objective assessments of well-being such as longevity, educational achievement, and the like.

The Basic Human Needs Approach relates to this study in that it is hypothesised that the use of housing as a livelihood approach contributes to poverty reduction and to a change of living conditions of low-income people. For the purpose of this study, the Basic Human Needs Approach, as noted above, is regarded as an approach which incorporates income generation and is thus an approach which can be applied to the BNG housing beneficiaries who utilised the provided houses as a source of income too, amongst other things, meet their basic needs. Moreover, the Basic Human Needs Approach has emphasised the need for the government to provide opportunities for low-income people to meet their basic needs.

Even though the human basic needs approach to development has taken a centre stage, there are differing views on the concept. The first of these raises the issue of the relationship between growth and the basic needs concept (Bowler, 1987). The problem is that development based on economic growth has not worked.

3.4 Conclusion

This chapter has discussed the key concepts and theories for this study. Theories adopted were Sustainable Livelihoods Approach and Basic Human Needs Approach which were critically analysed and discussed in this chapter.

Chapter Four: Literature review

4.1 Introduction

A literature review is a systematic analysis of the scholarly literature about one's topic (Efron and Ravid, 2018). It critically analyses, assess and synthesises research findings, theories and practices by scholars and researchers that are related to an area of interest. Therefore, this chapter gives an insight into the literature associated with the topic of the study. It elaborates on the international and local experiences of using a house as a source of income or, as per the discussion in the previous chapter, using a house as an asset for income generation purposes. Two case studies will be provided, the first in Ogun (Nigeria) and the second in George (Western Cape). In doing so, the background of each case study will be outlined, the influence of using a house for income generation regarding poverty alleviation and the challenges that households encounter in doing so will be elaborated on. Finally, this chapter will also look at the legislative framework and highlight what policies are in place regarding the research topic.

4.2 Housing as an asset

Assets are likely future economic benefits obtained or regulated by a certain entity as a result of previous transactions or incidents. Concepts statements no. 6 (cited in Johnson and Petrone, 1998) further explain that there are three characteristics that an asset has. Firstly, it embodies a potential future value that involves a capacity, singly or in grouping with other assets, to contribute directly or indirectly to future net cash inflows. Secondly, a certain entity can obtain the benefit and control others' access to it. Thirdly, the transaction or other event giving rise to the entity's right to or control of the benefit has already occurred.

A future economic benefit is the essence of an asset. An asset has the ability to serve the entity by being traded for another thing of value to the entity. It can be used to generate something of value for the entity or even to resolve its liabilities. In addition to the characteristics of assets, it is mentioned that assets normally have other attributes that help recognise them. For instance, assets may be acquired at a cost and they may be physical or transferable. The aforementioned characteristics are not important attributes

of assets because its non-appearance alone is not sufficient to prevent the qualifying of an item as an asset. Therefore, assets may be acquired without any cost, intangible and even not exchangeable but may be utilised by the entity in manufacturing or selling other goods or services.

Tangible fixed assets are defined as assets that have physical substance and held for use in the production or supply of goods or services, for rental to others or for administrative purposes on a continuing basis in the reporting entity's activities (UCC, 2012: 4). Therefore, this means that a fixed asset is intended for continuous use rather than a short term or temporary asset such as stocks. Assets used as collateral for borrowing a loan are normally worth more to the borrower than to the lender when they enter the loan contract (Corradin et al., 2017). Depreciation is defined as the measure of the cost or revalued amount of the economic benefits of the tangible fixed asset that have been consumed during the period (UCC, 2012: 4). It is the allocation of the cost of an asset over its useful life.

A house is a liability unless the owner earns something from it. For instance, it is a liability as the occupants have to pay interest and instalments on it without any income generated by it. Even if the house is fully owned, taxes need to be paid, as do house bills such as electricity and other recurring expenses for repairs and maintenance. A house is an asset or liability depending on what the building is used for. An asset is basically any property which is used to generate income. A house is regarded as a wealth-creating asset when it appreciates in value over time (Brammall, 2015). Furthermore, if a house maintains its value as the mortgage is paid off, its net worth will increase. Therefore, if a house brings in money (for example, running a travel-and-stop service, or a bed-and-breakfast, or even letting out a part of the house and collecting rent) then it is an asset.

As outlined in the introductory chapter, the poverty associated with rural areas in South Africa can be traced back to the apartheid regime which shaped the access to economic opportunities and government services through rigidly enforced tenure, settlement and labour policies (Galloway and Kapasi, 2014). A house satisfies some basic needs such

as providing shelter which in turn provides security to the occupants. Mlambo (2016) notes that once security has been provided it makes it easier for the households to transform a house into a home. In addition to this, when a house turns into a home it becomes a set of meanings, it does not only represent a physical structure but a symbol. Mlambo (2016) mentions that a house symbolises family, health, love and a sense of belonging. As security creates a feeling of freedom, comfort and trust, transforming a space that was purely used for shelter provides, with the security, a feeling that it is a home.

Housing is defined by Henilane (2016) as one of the most essential life components giving shelter over one's head, safety and warmth, and also providing a place of comfort and rest. Greyling (2009) asserts that a house provides better security against crime and it also protects its users against environmental factors. Housing has a fundamental role in the economic growth of each and every country, normally contributing for about 10 to 20 per cent of total economic activities (Henilane, 2016). Furthermore, housing is regarded as the biggest fixed asset of households.

According to Toussaint and Elsinga (2009), housing is an essential asset, which for the majority means the most important investment of their lives. In developing countries like South Africa, the significance of the housing asset remains, although the ability of many to secure homeownership is an issue on its own. Toussaint and Elsinga (2009) further assert that homeownership in the United Kingdom (UK) has been considered positively because of the low housing expenditures allied with outright ownership as well as the financial benefit of owning a house that can be issued whenever it is needed by selling.

The initial intention of the housing subsidy programme in South Africa was to provide shelter to the masses (poor citizens). According to Gordon et al. (2011) the notion that the house should be an asset was established in early 2000 by the Department of Housing (DoH). Breaking New Ground (BNG), which is a comprehensive plan for the development of sustainable human settlements, introduced the idea of housing as an asset (Gordon et

al., 2011). One of the BNG objectives is to ensure the property can be accessed by everyone as an asset for wealth creation as well as for empowerment.

Considering housing as a social asset is done on the grounds that the house provides a social safety net for the household and it also adds towards citizenship building (Gordon et al., 2011). This is through offering the resident household a physical and postal address and connecting them in with the local municipal system, around other housing units, surrounding settlements as well as providing access to all kinds of other social benefits together with networks, community support and other.

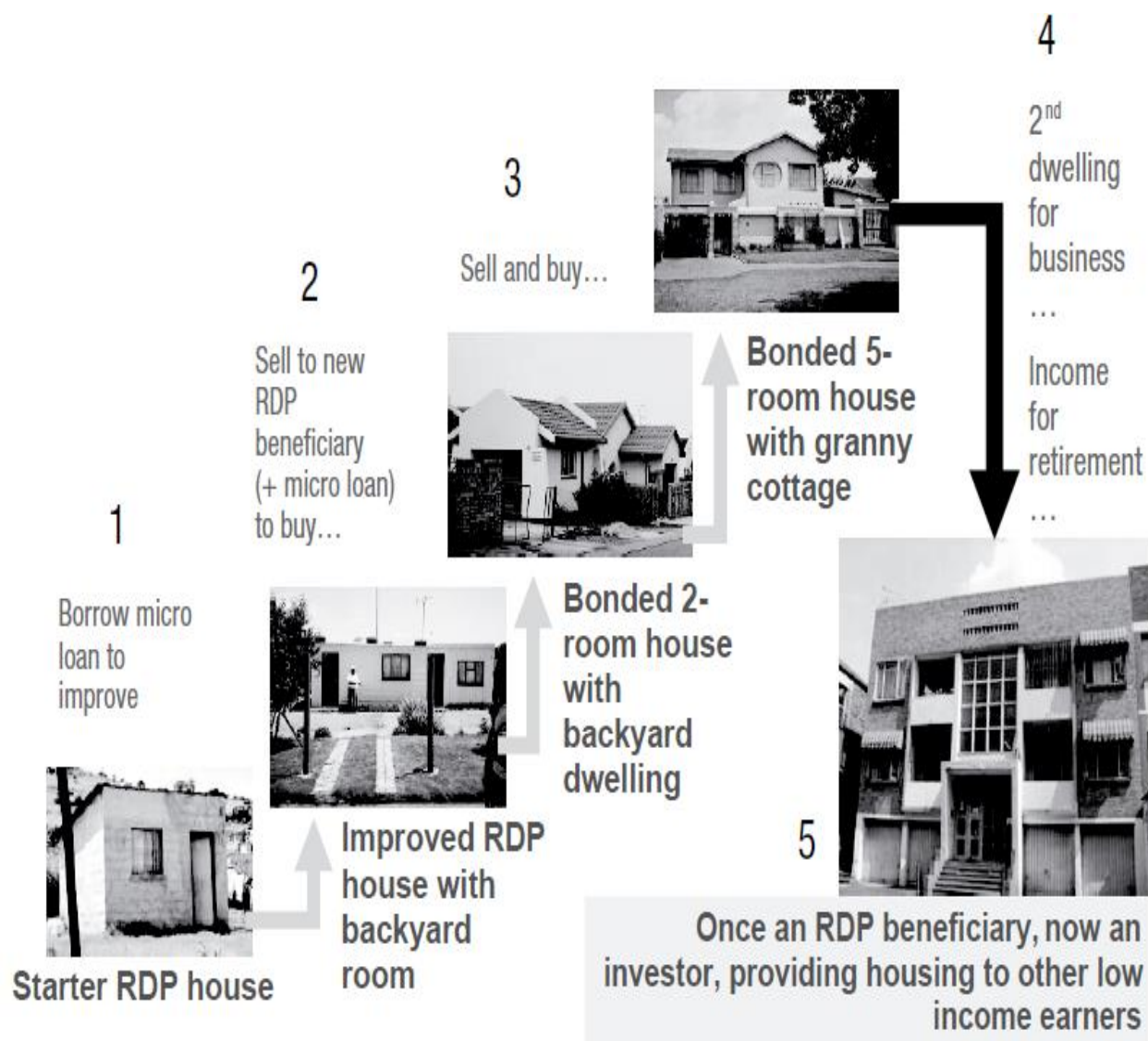
Housing is considered a financial asset if it can be exchanged or be used to access mortgage finance (Gordon et al., 2011). When a house is traded, the value of the transaction adds towards a household's actual wealth. Furthermore, it can be re-invested in better quality or even more suitable housing for the household's individual conditions. According to Rust (2007), the financial element turns out to be crucial when a house owner decides to improve their housing situations and move up the housing ladder (see Figure 4.1 below), for instance, through selling their current house with an intention of buying a better house that is more suitable for their needs. The more the household can sell the original house it depends on various factors such as the present property market, the quality of the house and where it is located and the availability of willing buyers. Selling a house will then enable the household to spend on the next house. However, it is not always the case that a household would want to buy an expensive house – this depends on the household's situation. For example, a household might decide to downsize and purchase a less expensive house and treat the balance as income (Rust, 2007). The value of the house can also be leveraged to access finance for other household purposes, for example, the establishment of a business or paying tertiary fees (Rust, 2007). Therefore, viewing their house as a financial asset offers the household an opportunity to improve their financial state.

Gordon et al. (2011) stated that housing as an economic asset is recognised when a house is utilized to generate income. Rust (2007) noted that the economic aspect of a

house encompasses its income-earning potential as well as the extent to which it can contribute towards sustainable livelihoods. This can be done through renting out a portion of the house or over the use of the house to run a business by selling goods and services or for manufacturing purposes. In addition, in the context where there is a high unemployment rate, income that can be generated from the use of a house either through HBEs or offering accommodation for rent, becomes crucial.

Figure 4.1 below depicts the ideal South African housing ladder.

Figure 4.1: The ideal South African housing ladder



Source: (Rust, 2007; page 51)

4.3 House ownership and its worth as an asset

A title deed is a legal proof that an individual owns the house and the land that it is constructed on (Urban LandMark, 2011). This plays a huge role in the life of its owner because a house is an asset that appreciates over time, as well as an asset that can be used as a shelter, business or collateral for securing a loan. Moreover, in addition to a house contributing to wealth, it also contributes to the improvement of a household's living conditions. A house price appreciates which means an increase in the value of the house over time. However, this does depend on various factors including, amongst others, improvements done to the house and its location (Harding et al., 2007). With regard to maintenance, Harding et al. (2007) state that while maintenance adds value to the house, the lack of maintenance will over time result in a depreciation of the house's value.

A rondavel (see Figure 4.2) is a type of house where most rural people consult their ancestors and do traditional rituals (Mlambo, 2016). It is common in rural areas that this type of house is used as a kitchen where cooking takes place and sometimes at night it is also used as a sleeping area. This is normally evident in rural settings where families have a few houses in their yard. Furthermore, within a rondavel, there is a side which is called *umsamu* which is the place of the ancestors, and where families burn incense to connect with their ancestors (Hadebe, 2010). Another type of a house that is also often found in rural areas is the beehive dome (*iqhugwana*) (see Figure 4.3) which is normally used as a kitchen or for ancestral worship depending on a household's cultural beliefs. Placing animal horns (goat or cow) on the roof edge above the door of a rondavel or beehive dome is a typical sign of ancestral worship.

Some households in rural areas use their rondavels as a place of worship. This is supported by the study conducted by Mhlaba (2009) who found that in rural areas some households dedicate part of their houses as a place of worship. Therefore, the house (rondavel) is an asset because there are people who stay in it and it is a place where households perform their family rituals. This links a house with cultural aspects since a house is not only used for shelter but also for family rituals.

Figures 4.2 and 4.3 below depict a rondavel and a beehive dome – two types of houses commonly found in rural areas.

Figure 4.2: Rondavels



Source: (Conway-Smith, 2010 cited in Mlambo 2016; page 14)

Figure 4.3: A beehive dome (*iqhugwana*)



Source: (Mhlaba ,2009; page 82)

4.4 Housing as a commodity

According to Jordaan (2000), housing is a significant and valuable asset for any family. Jordaan (2000) further states that housing is classified as one of the biggest categories of privately-owned assets and one of the most long-lasting. Housing is a unique commodity in that it affects a major portion of any household's yearly income. Moreover, it is regarded as a crucial component of living standards, comfort, safety as well as social status for households.

A house provides various benefits such as physical protection. This includes the roof that provides protection against harsh weather conditions as well as psychological protection in that a house provides shelter and its occupants can hide from other people (Jevons, 1871). It is also an indicator of the social status of the household. The locality and the features of the house do function as reference points for the social status of the people who reside in it. Moreover, the house price or value is influenced by the setting or site, the accessibility of infrastructure, population and other aspects. These factors could reduce the benefits which the house owner could get from it. In other cases, the presence or absence of the above factors could affect the market value of the house (Jevons, 1871).

Urban areas are normally close to economic opportunities. In urban areas, more people demand houses due to their close proximity to places of employment, access to public amenities and better infrastructure. However, land prices in urban areas are high compared to those in rural areas. In rural areas land is much cheaper. The benefits of owning a house comprise security of tenure, which has an ability to improve labour market outcomes and the accumulation of wealth through house value appreciation after some time (Whelan, 2017: 2).

According to Chowa et al. (2012: 329) assets may be tangible and intangible. Tangible assets are in the form of dwellings, farmland, equipment and livestock. Intangible assets are in a form of knowledge, skills as well as social capital. Chowa et al. (2012: 329) further state that these assets are essential because, unlike income, they are what persons and households accumulate and hold over time. Moreover, assets also produce returns that

normally increase lifetime consumption and enhance a household's well-being over many generations to come. Assets also act as a cushion that helps households to fall back on during hard times or in case of emergencies. Sherraden (1991) cited in Chowa et al. (2012: 330) suggested that assets have a varied range of positive personal and social effects on well-being beyond consumption. The author further states that such asset effects include improved household economic stability, improved personal effectiveness and improved household well-being.

4.5 Security of tenure and homeownership

Payne and Durand-Lasserve (2012) state that while access to secure land and housing is a prerequisite for alleviating poverty, there are majority of people living under the day-to-day threat of eviction or without sufficient security to invest what they have in enhancing their homes. The UN-Habitat Report of 2008 point out that without land, there can be no housing. Further, Payne and Durand-Lasserve (2012) note that without taking into account the matter of access to land, there can be no meaningful discussion about how to redress the challenges of housing for the low-income households in the cities.

Security of tenure is defined by Payne and Durand-Lasserve (2012) as the right of all people and groups to effective protection by the state against forced evictions and the permanent or temporary removal against their will of individuals, households and societies from their home or the piece of land they occupy without the provision of, and access to, an appropriate form of legal or other protection.

It is evident in the study conducted by Goorbhare (2013) in three residential areas under eThekweni Municipality during the 2010 FIFA World Cup, that a house can be utilized to generate income through rental accommodation. The study also revealed that homeowners in Umbilo, which is a residential area in close proximity to the University of KwaZulu-Natal, provide rental accommodation for the students, as well as to the residents who are unable to afford to purchase their own houses (Goorbhare, 2013). The study thus clearly shows that owning a house can help to generate income by providing rental accommodation thereby creating wealth for the household.

Kellet and Tipple (2002) note that a growing number of homeowners in developing countries are using the space of the house as well as the labour of the family to earn income in a wide variety of HBEs. In most cities, these enterprises clash with planning standards and zoning principles put in place in residential zones with respect to economic activities and, as a result, such activities are either actively blocked or reluctantly allowed (Kellet and Tipple, 2002). Regardless of the large-scale occurrence of this phenomenon and the significance of HBEs to low-income earners, such initiatives are hardly recognized as playing an effective role either economically or socially.

Taking into consideration the shortcoming of the formal employment sector and the ineffectiveness of the state to provide in various urban and rural settings, these informal household initiatives (HBEs) play an essential role in poverty alleviation at the household level and also play a huge role in contributing to the vitality of neighbourhood and country's economies (Kellet and Tipple, 2002). Through the household's income-generating potential, the presence of HBEs is likely to improve housing situations and households' living conditions for the better.

The informal economy in developing countries plays an important role in sustaining livelihoods for increasing numbers of urban people living in poverty (Kellet and Tipple, 2002). The high demand for jobs, goods and services, and the rapid increase in population place huge pressure on the formal sector in terms of job creation, a pressure it is unable to cope with. The informal sector provides many of the jobs needed by the growing workforce and compensates for much of the formal sector's inability to provide goods and services (Kellet and Tipple, 2002).

Lawason and Olanrewaju (2012) note that HBEs (also called household enterprises or unincorporated enterprises) are distinguished from corporations and quasi-corporations on the basis of their legal status and the type of accounts they hold. Lawason and Olanrewaju (2012) further note that they are not constituted as separate legal entities independently of the household or of household members that own them, and no complete set of accounts are available which could permit a clear distinction between the

production activities of the enterprises and the other activities of their owners (Charmes 2000). Participants in the informal sector fails or struggles to isolate economic life from different parts of social customs, religious conviction, kinship and lineage (Charmes, 2000).

Ghafur (2001) cited in Lawason and Olanrewaju (2012) states that home-based income generation is operated within a particular dwelling and its broader physical setting. Thus, the hierarchical arrangement of spaces that are used in home-based income generation includes the dwelling; its courtyard; the street (immediate to a given dwelling); the entire area; and the communal spaces. In this study, the focal point was on the home-based activities undertaken in the first, second and third spaces of the hierarchy (that is the house, courtyard and street) because of their direct influence on the environment and the planning of the residential zone.

Lawason and Olanrewaju (2012) state that the focus on the HBE is particularly significant as it is the doable type of informal enterprise to participate in. The use of personal and domestic assets, such as living quarters, means of transportation, and furniture for income-generating activities as well as the possibility of transforming from survivalist to growth enterprises over a quite short period are clear advantages (Todaro, 1978). For instance, an HBE is preferable since people use whatever resources they have or own to generate income. Therefore, if a house is used as a source of income, it makes a house an asset one uses to generate an income. People can use the income generated to sustain themselves. Rogerson (1996) identified the micro-enterprise economy in urban Africa as one of informal enterprise. They are the survivalist enterprises, which characterize a set of activities carried out by individuals unable to secure regular wage employment or access to an economic sector of their choice.

The incomes that are generated from these enterprises fall short of minimum income standards and involve little capital investment, practically no skills training and only constrained opportunities for expansion into a viable business (Lawason and Olanrewaju, 2012). Normally, poverty and the desperate attempt to survive are the prime defining

features of these enterprises and contribute to the growth of the enterprises. These enterprises are very small businesses which usually involve the owner, some family members and, at most, one to four paid employees. However, these enterprises usually lack all the trappings of formality in terms of business licences, formal premises, operating permits, and accounting procedures. Furthermore, most only have a limited capital base as well as rudimentary business skills among their operators (Lawason and Olanrewaju, 2012).

With reference to the study area, the government has provided the low-income earning Gingindlovu beneficiaries with a valuable social asset by delivering subsidised housing. Rust (2007) asserts that subsidised housing is meant to enhance the efforts of the household to sustain themselves, to further develop and to decrease their vulnerability.

Rust (2007) notes that de Soto's perspectives on assets being transformed into capital seem to support the idea of a "housing ladder" for households. This assumes that a house increases in value over a certain period of time through the normal appreciation of the property market. When a house owner sells his or her house, the profit they make from the sale can be used to fund a more expensive house, which is worth more than the one being sold and thus the house owner (and the household) move up the ladder (Rust, 2007). As noted previously, the housing ladder is depicted in Figure 4.1 above.

With South Africa's housing subsidy programme, the ladder is visualized image as that the title deed being given to the beneficiary of the subsidised unit. This provides a household with a "housing asset" that can be improved and sold over a period of time (Rust, 2007). When done, this will provide the households with a deposit and also help them to access mortgage finance for a much better house. This process can be repeated many times, consequently allowing households to climb the housing ladder (Rust, 2007). Furthermore, low-income households can use their subsidized houses as security for business loans possibly leading to an increase in wealth. In essence, de Soto argues that if the low-income earners are given title deeds to property they generally occupy, they can utilise this to enable themselves economically, for instance, by using the property

as collateral for credit or loans from financial institutions which could then be used to open a small enterprise (Rust, 2007).

4.6 The process of value creation

The following six steps to value creation were noted by Ferguson (2008): the first step is acquisition and occupancy of a lot, where Ferguson (2008) cited in Phase (2015) asserts that the zoning of land from rural to urban or residential is the first place where value is created. This value may accrue to households should they happen to already be living in that place or to the developer who is granted these rights. Inherent in this process is the value of the land by nature of its location relative to infrastructure, services and amenities in the city; the most common factors include employment opportunities and access to transport networks.

The second step is upgrading property tenure to achieve security of occupation. Here the formalising of land rights is then another step in the land valuation process. However, this step relies on a functioning land registration process. Despite this, it is argued that in low-income housing this value may be financially limited given that banks may not lend to potential borrowers who are seen as high risk.

The third is the delivery of basic infrastructure. The focus here is on the delivery of engineering and public infrastructure which, it is argued, is another aspect that adds to the land value. This normally happens before or after the formalisation of land rights. Ferguson (2008) cited in Phase (2015) asserts that the provision of infrastructure can occur at a basic level and then improved over time.

The fourth step is the construction of the house. According to Ferguson (2008) cited in Phase (2015), the building of the dwelling and its subsequent improvement takes place as the next step in the process of value creation in residential properties. With reference to informal structures, they represent a substantial asset in aggregate but are only viewed as valuable as a financial asset in the case where they are owned and can be sold. However, Ferguson (2008) cited in Phase (2015), emphasised that informal structures

can still have substantial social and economic value, and this can be recognised when they are well located.

The fifth step is the finance of phases in the progressive housing process. Regardless of the slow delivery of housing by the state, research has shown that the changes that the end-users make to housing can serve to generate economic value (Ferguson, 2008 cited in Phase, 2015). This is evident in the South African context where researchers discovered that the income generation value was through the construction and rental of rooms or backyard dwellings of RDP houses. Another was through the use of such houses for HBE purposes.

The sixth (and last) step is building community institutions to combat insecurity (Ferguson, 2008 cited in Phase, 2015). This step occurs as the town or city in which the housing unit is situated grows economically and, as a result, this leads to a growth in the value of the property as a whole. However, this impact on the value of the household property normally varies depending on its geographical location within the town or city.

4.7 The use of houses for income generation purposes: international and local experiences

This section of the study provides an international and local case study on the use of houses for income generation purposes. It begins with the international case study and then moves on to the local context.

4.7.1 An international experience

According to Adeokun and Ibem (2014), the use of the domestic dwelling for income generation purposes (or HBE) is entrenched in the informal economy in most developing countries. Adeokun and Ibem (2014) further argue that it is a sector that is mostly female-dominated and includes other vulnerable groups of workers who have little choice but to participate in informal low-quality jobs. The following is the case study of Ogun State (Nigeria).

This case study of Ogun State relates to a survey of public housing constructed for different socio-economic groups within the area between 2003 and 2009. The questionnaire survey sought to evaluate the performance of public housing provided by the government in the study area based on the perspectives of the beneficiaries of the housing. In terms of the use of spaces within and outside the dwelling units, the study showed that among low and middle-income earners who comprised 76% of those sampled, 32% of them operated HBEs. The enterprises ranged from rental business, telephone calls and fashion designing to “grinding” and selling snacks and sachet water. Some of the owners were operating in make-shift structures in front of the houses, while others ran their businesses at the entrances of their homes. In addition, it was found that most of these enterprises were operated by women and young girls.

The survey results showed that 55% of the respondents indicated that the availability of spaces in their current dwelling units was adequate in meeting their own housing needs. However, a substantial minority (45%) of the respondents were of the opinion that additional spaces in the dwelling units were needed in order for them to be able to do their businesses. Those who indicated a need for additional spaces mentioned a need for shops, visitors’ toilets, guest rooms and laundry services. These findings suggest that a significant number of people do not view housing as only a place for living for them and their families, but rather view housing as a product that can also be used for income generation purposes.

Based on surveys, observation and the experiences of residents of public housing in Ogun State, households who seek economic empowerment have involved themselves in HBEs although spaces for such activities were not catered for in the construction of the houses. This gives a clear picture that those who are responsible for the provision of public housing in the area were not taking into consideration other specific needs of the people. The study emphasises that public housing providers should strive to make necessary arrangements for accommodating home-based businesses. This is crucial in promoting the sustainability of public housing and also ensuring the improved socio-economic well-being of the beneficiaries.

4.7.1.1 Lessons learnt from the case study of Ogun State (Nigeria)

The lesson that can be taken from the Ogun State case study is that people can change their living conditions through income generation activities. These activities are realised by the housing beneficiaries in the form of operating HBEs. When the government provides houses to low-income people, it does not only provide shelter but it also provides the beneficiaries with the opportunity to mobilise themselves by starting a business in order for them to cater for their basic (and other) needs. However, it has been noted that people do experience some challenges while running businesses from home. The case study of Ogun State is of great importance since it highlights that the informal economy plays a significant part in the economy of a country such as Nigeria.

4.7.2 Literature on the local context

In many developing countries, individuals are being progressively pushed into finding innovative ways of generating income. Consistent wage-earning jobs are becoming harder to come by while, on the other hand, the pressure on land drives a lot of households to look for alternative means of support (Handbook on Income Generation Activities, 2000). Furthermore, the increasing application of charges for basic services forces even the poor households to pay a certain amount of money in order for them to secure the family's livelihood (Handbook on Income Generation Activities, 2000). South African rural communities continue to be the most disadvantaged societies in the world (Gopaul, 2009). Furthermore, access to employment opportunities, health services, housing, education and other necessary resources still separate them from urban societies. Gopaul (2009) noted that most of the rural societies live in extreme poverty and there is almost no improvement in terms of development taking place in these areas. Rural areas in South Africa have always been and continue to be poor, undeveloped, impoverished and less occupied. Gopaul (2009) further states that rural areas seem unnoticed and people who live in these areas suffer from poverty and deprivation.

According to Smit and Donaldson (2011), a home-based business refers to paid work particularly conducted from a residential dwelling on a full or part-time basis. Statistics South Africa, (2005) states that in South Africa, about 60% of all informal businesses are

home-based. There are many types of HBEs and they range from retail-oriented businesses such as tuckshops, clothing and foodstuff to service industry providers. Currently, home-based businesses include hair salons, traditional healers, and restaurants (Smit and Donaldson, 2011).

Smit and Donaldson (2011) assert that housing primarily contributes towards the alleviation of asset poverty which they refer to as inadequate access to assets by persons, families and societies. Asset poverty also includes shelter, insufficient provision of suitable infrastructure and the like. HBEs contribute fundamentally to the family's economy. This is because settlements evolve and grow according to the occupant's income-earning capacity. Furthermore, the existence and expansion of HBEs can enhance the quality of life as well as housing in low-income settlements (Smit and Donaldson, 2011).

The following is a case study from George, a town in the Western Cape Province (Smit and Donaldson, 2011). The focus of the study was on the experiences and dynamics of home-based businesses (HBBs). According to this study, nearly all the HBBs operate from a specific house and the majority of businesses were relatively new. However, there also other businesses established years ago. The study showed that HBBs are often non-employing and are service-based in nature. This allows them to operate from their residential dwellings without any major impact on the neighbourhood and in relative obscurity.

Von Broembsen (2007) cited in Smit and Donaldson (2011) asserts that the more educated an individual is, the more likely that person can start a sustainable and well-driven business. However, the less educated an individual, the chances are that person starts a business that is motivated by necessity. In the study over a quarter of respondents had a post-high school qualification, just under half (48%) had matric and a quarter lower than matric. The majority of people who moved to George with the intention of operating a home-based business were Somalians followed by people who were residing in Gauteng.

Findings of the study revealed that less than half (44%) of the HBB respondents actually owned the property from which they operated their businesses. Twenty-five percent had not operated their businesses from their homes in the past. Findings also showed that three-quarters of the respondents stated that locating their businesses near the main transport routes was a major advantage for their businesses. Population density also played a huge part as a contributing factor to the success of their businesses. However, not all respondents liked the idea of locating their business in the town. The study highlighted that 29% of respondents had moved their businesses from the industrial areas of George to their homes. There were four broad reasons for this relocation. The first, mentioned by 28% of respondents, was spatial, which included a lack of space as well as poor infrastructure. Secondly, the economic aspects (47%) which included costs incurred in operating a business from a rented space. The third was environmental (11%) and the last was administrative and logistical reasons (14%). The type of businesses that were commonly operated in the area included catering, childcare, hairdressing and the use of a house as a tuckshop.

4.7.2.1 Challenges experienced by home-based businesses in George

Based on the findings of the study, the respondents indicated a range of challenges they experienced as business owners. Mentioned were the lack of space, strong competition among the businesses as well as a lack of access to an area for clients. High crime rates influenced the type of HBB operated. Other challenges included the need for strong structures and security, long trading hours and losses arising from direct criminal incidents. The respondents pointed out the presence of many Pakistani immigrants who operate house shops by renting the shop area from the owner of the house.

4.7.2.2 Lessons learnt from the case study of George, Western Cape

As is the case elsewhere, people resort to using their houses to generate income. However, it was evident that there are problems that homeowners (and those renting) face in operating from their homes. These include a lack of space, competition among businesses and a high crime rate.

4.8 South African legislative frameworks

The following are the legislative and policy frameworks that are utilised in this study: the Constitution of the Republic of South Africa (Act No. 108 of 1996), the Housing White Paper of 1994, the Reconstruction and Development Programme (RDP) and lastly, the Breaking New Ground Policy of 2004.

4.8.1 Constitution of the Republic of South Africa (Act No. 108 of 1996)

Section 26 of the Constitution stipulates that “Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right” (RSA, 1996). Recognising housing as a human right, the DoH (2004) stated that adequate housing is important for human survival. Without the right to housing, many other basic human rights will be compromised including the right to development, the right to family and the right to privacy (Sidoti and Sidoti, 1995). Therefore, this research focused on the BNG houses that the government provided to better the lives of the residents of Gingindlovu.

4.8.2 Housing White Paper of 1994

Mbambo (2013) asserts that in an attempt to deal with housing issues, the democratic government introduced the Housing White Paper in 1994 as the first post-apartheid housing policy. The White Paper portrays how the government’s overall approach to deal with the housing issue is aimed at mobilising and harnessing the combined assets, efforts and initiatives of societies, the private and commercial sector as well as the state (Tissington, 2011). Mbambo (2013) explains that the policy was used to develop the RDP low-cost houses. The Housing White Paper recognised the high level of unemployment in South Africa and the housing challenges. However, the policy could not address all the country’s housing and related problems at once. The policy did take cognisance of the economic issues where it talked about the highly unequal distribution of income which affects low-income groups.

The constraints to resolving South Africa’s housing crisis that were identified by the then DoH (1994) and that needed to be addressed by the new housing policy and strategy in

South Africa (as found in the Housing White Paper) were as follows: Firstly, there was a large-scale housing and service backlog coupled with a high growth in the demand for housing. With regard to this constraint, there were (and are) other problems associated with it. One such problem was the low incomes of a large portion of the population in South Africa which indicated that many households were unable to afford adequate housing based on their own financial resources alone.

Secondly, the DoH (1994) stipulated that there were numerous factors that have an influence against a rapid increase in effective demand for, and supply of housing. These factors included the high unemployment rate in the country, the low rate of growth, persistent inflation, decreasing individual domestic savings as well as a highly uneven distribution of income. The DoH (1994) also mentioned the low levels of gross domestic investment and fixed capital formation and the high rate of government dissaving that had negatively impacted on government housing demand and supply. These factors are still present over two decades later and, arguably, are more pronounced.

The DoH (1994) defined housing as a variety of processes through which liveable, stable and sustainable public and private residential environments are made for viable households and societies. This recognises that the setting where the house is located is as essential as the house itself in satisfactorily meeting the needs and requirements of the occupants. The DoH (1994) asserted that the government would make every effort for the formation of viable, socially and economically integrated communities that are positioned in areas allowing convenient access to economic opportunities, educational, health as well as social amenities.

4.8.3 Housing as a basic human right

According to the DoH (1994), the state has a duty to take steps and come up with conditions which will lead to an effective right of housing for all. Thus, the government has to take actions that will reduce homelessness of the people. Furthermore, it is held that a person has a right to live in dignity and in a habitable environment. The state,

therefore, should strongly promote an effective right to housing for all, within the available resources as well as other limitations applicable to it.

The right to housing touches on habitability, affordability, location and accessibility, legal security of tenure as well as the availability of services (Anderson, 2013). Therefore, housing as a basic human right does not only require the government to provide free housing to the poor; rather, it means that government must ensure through policies and programmes that affordable housing is available to the entire population.

4.8.4 Reconstruction and Development Programme (RDP)

Housing low-income groups is a serious challenge faced not only by the South African Government but by many other developing countries worldwide. As noted above, the right to adequate housing has been assured by the Constitution of South Africa (1996), and the RDP was to fulfil that right. The RDP emphasised the significance of providing housing to the previously disadvantaged groups as well as rectifying the spatial planning of apartheid (Musvoto and Moova, 2018).

The post-apartheid government embarked on the RDP as a way of addressing the imbalances of the previous ruling government in terms of political, social and economic aspects (Musvoto and Moova, 2018). The RDP was concerned more about fragmented spatial planning which resulted in the poor being located in the peripheral locations which are far from public amenities and job opportunities. The RDP was an integrated, coherent, socio-economic policy framework that sought to mobilise all the people and country's resources toward the final eradication of apartheid and the building of a democratic and non-racial future (ANC, 1994).

The RDP set five key programmes to redress the imbalances of the apartheid era. The first priority was to meet the basic needs of the people. These basic needs were jobs, housing, land, water and sanitation, transport, electricity, a tidy and healthy environment, healthcare as well as social welfare (ANC, 1994). This was to be achieved by redistributing land to people who were landless, constructing over one million houses,

and providing clean water and sanitation to all people. In addition, these were to be achieved by electrifying 2, 5 million new households and making affordable healthcare and telecommunications accessible to all. With reference to the current study, the uMlalazi Municipality has provided housing to the poor in Gingindlovu. Through the delivery of houses, the government has met the basic needs of the people because houses came with water and sanitation, power supply and other basic services.

4.8.4.1 The vision and objectives of meeting basic needs

The RDP was dedicated to a programme of sustainable development which addressed the needs of the people without compromising the interests of future generations. The RDP specified that without meeting the basic needs of the people, no political democracy could survive in South Africa (ANC, 1994). Noting that the state could not erase all the effects of the past apartheid government over a short period of time, it did recognise that something had to be urgently done to deal with the country's problems. Dealing with poverty and deprivation was (and still is) the highest priority of the democratic government, therefore, the RDP set out a facilitating and enabling environment to put these to an end.

Secondly, the RDP as a people-centred programme required that people be part of the decision-making process and be involved in the implementation of those decisions, in new job opportunities that required new skills, and in managing and governing society. This was seen as a way that would not only empower people but also transfer education and training opportunities (ANC, 1994).

The RDP programme was considered a key solution to poverty and the housing backlog in South Africa's post-apartheid period. It was believed that households could either sell their house in the housing market or use it as collateral in order to access finance. However, this has not been effective because people often attached values to their houses. As a result, households were not willing to sell or use their houses as collateral (Matsheng, 2017).

The main objectives of the RDP housing programme were to meet basic needs such as housing, electricity, water and employment as well as other needs to help restructure people's lives in society (Matsheng, 2017). The RDP intended to accomplish this by allocating land to individuals who did not have land, provide sanitation, clean water and electricity, and construct more than one million houses within a period of five years (Matsheng, 2017). The significance of housing distribution in the RDP lay in its attempts to address issues of poverty and to distribute wealth to families earning below R3 500.

4.8.4.2 Problems identified with the RDP houses

According to the Southern African Catholic Bishops Conference (2017), the quality of houses has been debatable for some time. In 2013 Thuli Madonsela, the then Public Protector, presented a report to parliament on the low-cost housing issues being experienced. Issues such as houses that did not have foundations and houses that were constructed with poor materials were identified (Southern African Catholic Bishops Conference, 2017). In addition, in the Eastern Cape, some houses were of such poor quality that they had to be demolished and rebuilt. The national government blamed the defects in the houses constructed under the "people's housing project" on the appointed construction companies.

The problem with the RDP houses that were built in the early 1990s was that they were small in size (16-meter square). However, when the National Home Builders Registration Council (NHBRC) was established, regulations were put in place and houses had to be extended (Greyling, 2009). Prior to this, the small size of the houses was a challenge. Beneficiaries did not have enough space to accommodate their families and to use a portion of a house for income generation purposes. However, with the BNG housing, houses are bigger and this allows beneficiaries to use their houses to generate income.

The RDP, in order to promote employment and household's involvement, sometimes had the contractors training housing beneficiaries to build their homes and thereby teach them skills that could benefit them economically in the future. Furthermore, the government claimed that the construction companies appointed to run the training and oversee the

project either did not train the homeowners appropriately or did not train them at all. As a result, people ended up with little or no training and having poorly constructed houses with defects.

Greyling (2009) noted that the main problems that were faced by RDP housing beneficiaries were the issues of electricity supply, aftermarket maintenance of dwellings, access to roads and being far from medical facilities, schools and other public amenities. In contrast, these issues were addressed with the BNG housing in Gingindlovu. Houses were strategically positioned closer to educational and health facilities, a shopping centre, a community park and an easily accessible transport route.

The RDP was introduced to rectify issues created by the apartheid ruling by providing proper housing to poor individuals who were victims of the land segregation policy of the apartheid government (Department of Housing, Eastern Cape 2009). The aim of the programme was to construct houses for all citizens who could not afford them. In spite of the endeavours of the National Housing Subsidy Scheme (NHSS) to provide housing to all, there have been issues with both the amount (quantity) and quality of housing delivered since 1994. Generally, as verified by the National Department of Housing (NDoH), housing delivery has had little impact on alleviating poverty. Furthermore, houses have not become the financial, social and economic assets as intended in the early 1990s.

According to Greyling (2009), the government is struggling to keep up with the ever-increasing demand for low-income housing. Developers are striving to assist the government with new ventures to accelerate the provision of housing. However, the housing projects are normally constructed on the peripheral locations of the cities where undeveloped land is available at a lower price. Consequently, the occupants, if employed, have to travel a long distance to get to their places of employment.

Manomano (2013) states that the RDP was a centre-piece policy of democracy. For instance, individuals had the power to choose where the projects should be situated for

service ownership. Furthermore, the RDP attempted to ensure that the need for access to basic social facilities such as clean water and electricity were met in order to avoid social and economic segregation. The RDP had a number of targets that were expected to be met, for example, the development of one million houses by the year 2000 and access to liveable, dignified and safe houses by disadvantaged South Africans.

Manomano (2013) recognized gaps in the implementation of RDP housing and the reason for this was the consistently increasing number of South Africans living in informal settlements. Those who were able to get an RDP house had complaints concerning the quality of houses as well as the failure of the RDP to meet households' needs. The relevance of the RDP housing problem to this study is that the stated issues regarding the RDP have affected beneficiaries in many ways. Being provided with houses of poor quality, far from employment opportunities and public amenities has had a negative impact on the lives of housing beneficiaries in the sense that they have had to rebuild their houses after some time. Another issue is that people tend to go back to informal settlements because the formal housing has been built far from economic opportunities. Therefore, the location of houses does matter, as does houses that allow beneficiaries to start businesses and support the livelihoods strategies of the households.

4.8.5 The Breaking New Ground (BNG) policy of 2004

The South African government invested R27.6 billion in the provision of housing between the year 1994 and 2004 (Department of Local Government and Housing, 2005). The state managed to deliver more than 1.6 million houses which affected the lives of approximately 6.5 million people. Regardless of this, the housing backlog increased from 1.5 million during the year 1994 to 2.4 million in 2004. Furthermore, the Department of Local Government and Housing (2005) found that the causes for this are a trend towards urbanization, insufficient delivery of housing to address the historical backlog as well as natural population growth.

In addition, the Department of Local Government and Housing (2005) argued that the reasons behind the low levels of delivery were mainly due to under-spending due to

capacity constraints and inadequate resource allocation. In light of the above, the DoH introduced the BNG strategy at the end of 2004 which was intended to guide housing development over the upcoming five years.

The new human settlements plan reinforces the vision of the DoH to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing. Within this broader vision the department has set and committed to meeting the following specific objectives:

- Speeding up the provision of housing as a key strategy for poverty alleviation.
- Utilizing the provision of housing as a major job creation strategy.
- To ensure that property can be accessed by all as an asset for wealth creation and empowerment.
- Leveraging growth in the economy.
- Combating crime, encouraging social solidity and enhancing quality of life for the poor.
- Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barrier between the first economy residential property boom and the second economy slump.
- Using housing as a tool for the development of sustainable human settlements, in support of spatial reform.

The Department of Local Government and Housing (2005) stressed that the strategy involved a number of major changes in housing policy and it also aimed to place South Africa firmly on the way to create sustainable human settlements rather than only delivering houses to the people. Furthermore, this would, in turn, result in integrated sustainable development, poverty eradication and wealth creation, where current and future residents of such settlements living in a secure and safe environment with satisfactory access to:

- Reliable basic services.
- Economic opportunities.
- A variety of safe and secure housing, and tenure types.

- Education, health, cultural and welfare services and so forth.

Furthermore, the BNG policy is in line with job creation and it outlines that the provision of housing also contributes towards alleviating income poverty. This is through the provision of direct and indirect jobs within the construction sector. In addition, the new human settlements plan seeks to maximize job creation through a job creation strategy. The DoH (2004) stated that a job creation strategy would be established to encourage the creation of increased job opportunities and this would be done through the construction of houses, installation of infrastructure, the construction of social or economic infrastructure and the management as well as maintenance of housing stock.

4.8.5.1 The notion of housing as an asset

Rust et al. (2009) assert that the provision of housing has been significant in terms of showing the distribution of a tangible asset to the poor. With regard to this, it can be argued that the provision of housing has played a key role in setting up a degree of state legitimacy among low-income families. While the primary goal of the housing subsidy programme was to deliver shelter for poor households, by early 2000 the concept that the house should be an asset was introduced. In 2004 the housing policy document entitled the “Comprehensive plan for the development of sustainable human settlements” (otherwise known as “BNG”) introduced the idea of housing as an asset and included it as part of the new housing vision: “Ensuring property can be accessed by all as an asset for wealth creation and empowerment.” The policy committed to supporting the development of housing as assets.

As has been outlined earlier in the study, housing is regarded as an economic asset when it is used to generate income through renting out a portion of the house and through using the house to sell goods and services or to produce something that is, using housing to operate HBEs. Therefore, in this regard, the economic advantage of owning a dwelling is recognized and harnessed by households. According to Schmale (2001), income can be earned from any kind of an activity, such as sales from business, or can be earned from participation in some kind of service. Rust et al. (2009) state that the income-earning

potential of the house offers poverty alleviation opportunities. There is a huge possibility for the housing unit to become a source of income, particularly for under-employed or unemployed households.

Income generation (to elaborate further) will mean a process whereby the households participate in activities and services with the purpose of earning income (money) so they can cater to their basic needs. HBEs in the form of renting accommodation and providing a service or product (such as making and selling food) are recognized as probably being the most important methods of earning money through using the home in rapidly developing cities (Gilbert 2000). As renting does not mean a complete change of use from residential, it is not expected to affect dwellings or entire area as do other HBEs.

4.8.5.2 Identified gaps in implementing the BNG policy

One of the major hindrances to the provision of housing has been the lack of coherent, long-term integrated plans for dealing with the entire housing challenges not only at the provincial level but at national government level as well. Furthermore, when it comes to decision-making around housing it is normally short-term in nature that is, for about five years or less. This has resulted in slow progress in addressing the housing problem in a meaningful way as well as in resolving community conflict around the distribution of resources. Another blockage to housing delivery has been the unavailability of well-located land. The low-income housing developments are often poorly located on the edge of the urban areas. The Department of Local Government and Housing (2005) asserts that the land on the periphery is much cheaper than the land on the core and, as a result, this tends to be affordable for low-income development. The availability of suitable land for housing development is a priority issue in South Africa as the majority of its citizens live in inadequate housing that is often without the security of tenure and poorly located.

4.9 Conclusion

The use of housing for income generation purposes is the most common livelihood strategy that is utilized by low-income households particularly in developing countries. The literature drawn from both case studies, international and local experiences, has

shown that the use of a house for income generation as a survival strategy is possible. Despite the effort expended by households in operating HBEs, the income gained from these economic activities cannot meet all the basic needs of the households. It does, however, have a major impact on alleviating poverty. A house is clearly a vital asset and the owner of the house can benefit from capital appreciation. Furthermore, housing ownership can help to reduce poverty if their owners use the portion of a house for renting or for commercial purposes. It should be noted that this does not only apply to unsubsidized housing but also to subsidized housing such as the BNG houses.

Chapter Five: Background of the study area

5.1 Introduction

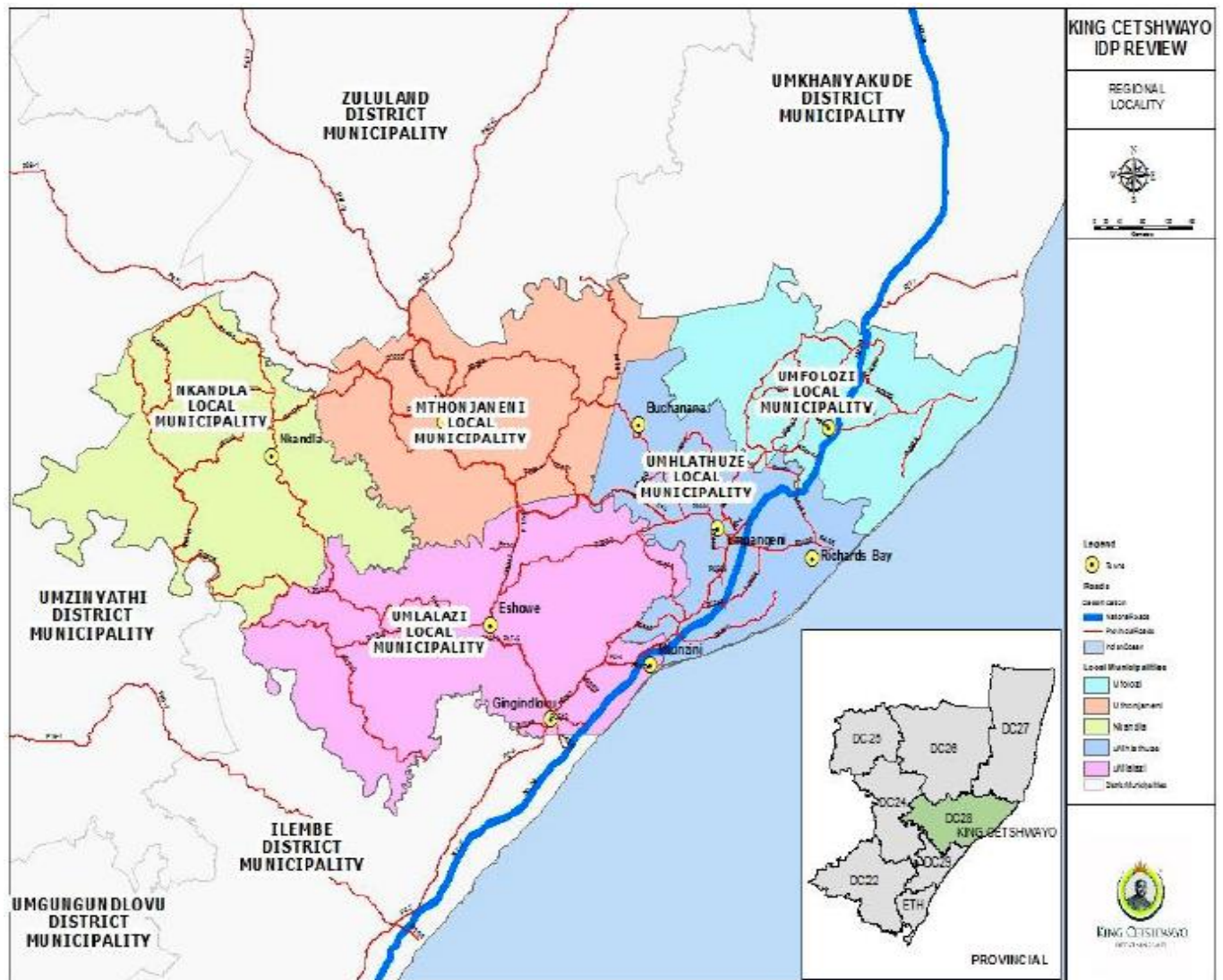
This chapter presents background information on the study area. The chapter begins by describing the King Cetshwayo District Municipality (KCDM) and this is followed by a description of the uMlalazi Local Municipality and the town of Gingindlovu in which the housing project is situated. Aspects covered will include the geographic location, demographics and the socio-economic profile of the areas. Some historical context will also be provided. The chapter ends with a brief analysis of the current situation with regard to the demand for housing in uMlalazi Municipality and Gingindlovu as well as an equally brief assessment of the integration and sustainability of the housing project.

The specific study area, that is the housing project settlement, comprised of people who were relocated from informal settlements within Gingindlovu. The local Municipality initiated the provision of free-standing BNG housing units to accommodate these people on a more formal basis.

5.2 King Cetshwayo District Municipality

The King Cetshwayo District Municipality (previously known as the uThungulu District Municipality) is situated in the north-eastern part of the KwaZulu-Natal Province on the eastern seaboard of South Africa. It covers an area of about 8 213 square kilometres, from the agricultural town of Gingindlovu in the south to the uMfolozi River in the north and inland to the mountainous beauty of rural Nkandla. The KCDM is ranked as having the third-highest population in the province with an estimated 971 135 people. It has five local municipalities, namely, e uMfolozi, uMhlathuze, uMlalazi, Mthonjaneni and Nkandla (King Cetshwayo District Municipality: 2018/2022, Integrated Development Plan Review). Map 5.1 below shows the location of the KCDM as well as the five local municipalities.

Map 5.1: King Cetshwayo District Municipality



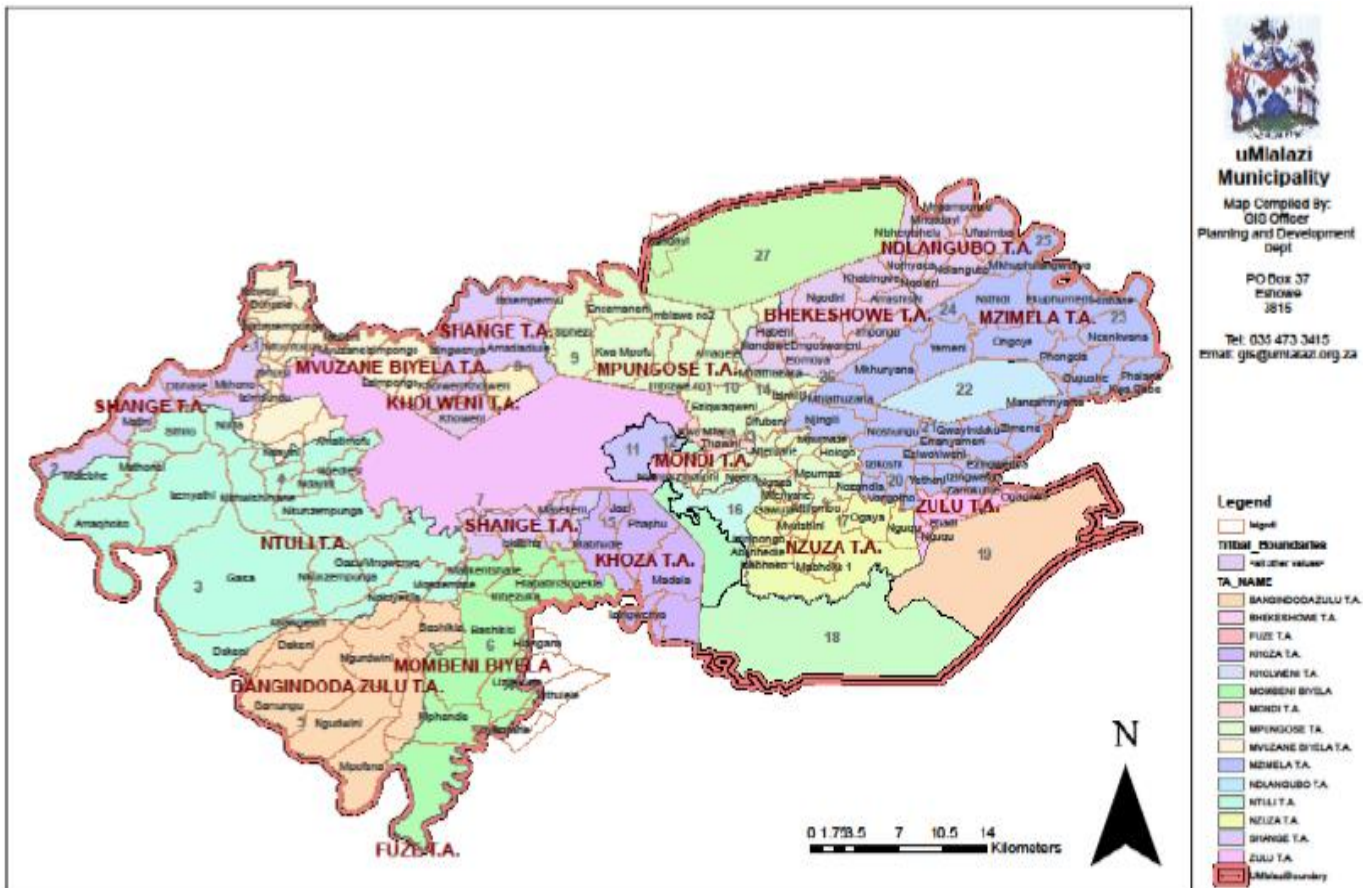
Source: (King Cetshwayo District Municipality 2018/ 2022 IDP Review; Page 18)

5.3 uMlalazi Local Municipality

The uMlalazi Local Municipality is located along the north-eastern coast of KwaZulu-Natal, 125km north-east of Durban. The eastern segment of the Municipality lies on the N2 national and provincial development corridor connecting the two main economic centre points of Richards Bay and Durban (uMlalazi Local Municipality, 2019/2020 Draft. Integrated development Plan Review). The King Shaka Zulu heritage route (R66) is of historical and cultural importance and it has also stimulated tourism in the area. Geographically, uMlalazi Municipality covers 2 217 square kilometres and is one of the

largest local authority areas in South Africa. As noted above it is situated within the King Cetshwayo District Municipality. Map 5.2 below depicts the location of the Municipality.

Map 5.2: uMlalazi Local Municipality



Source: (uMlalazi Local Municipality, 2019/2020 Draft. IDP Review; Page 52)

The Municipality is largely dominated by tribal areas and there are 14 such areas which are under the rule of traditional authorities. Map 5.3 below depicts the areas governed by traditional authorities within the Municipality.

[illegible]

The uMlalazi Municipality is predominantly rural in character and the majority of people reside within the traditional authority areas. The Municipality is characterised by relatively high population densities within the urban areas and low densities in the rural areas. Figure 5.2 below shows the demographic profile of the uMlalazi Local Municipality.

Figure 5.1: Demographic profile of uMlalazi Local Municipality

UMLALAZI MUNICIPAL AREA				
Area 2 217 km ²				
INDICATOR		2001	2011	2016
Population		221 078	213 601	223 140
Population Growth Rate		-0.8	-0.3	0.8
Households		38 446	45 062	46 953
People per Household		5.4	4.6	4.8
Gender breakdown	Males	45.3%	44.7 %	47%
	Females	54.7%	55.3 %	53%
Age breakdown	0 – 14	39.6%	37.2 %	43 %
	15 – 64	55.1%	54.1 %	49 %
	65 +	5.2%	5.6 %	8%

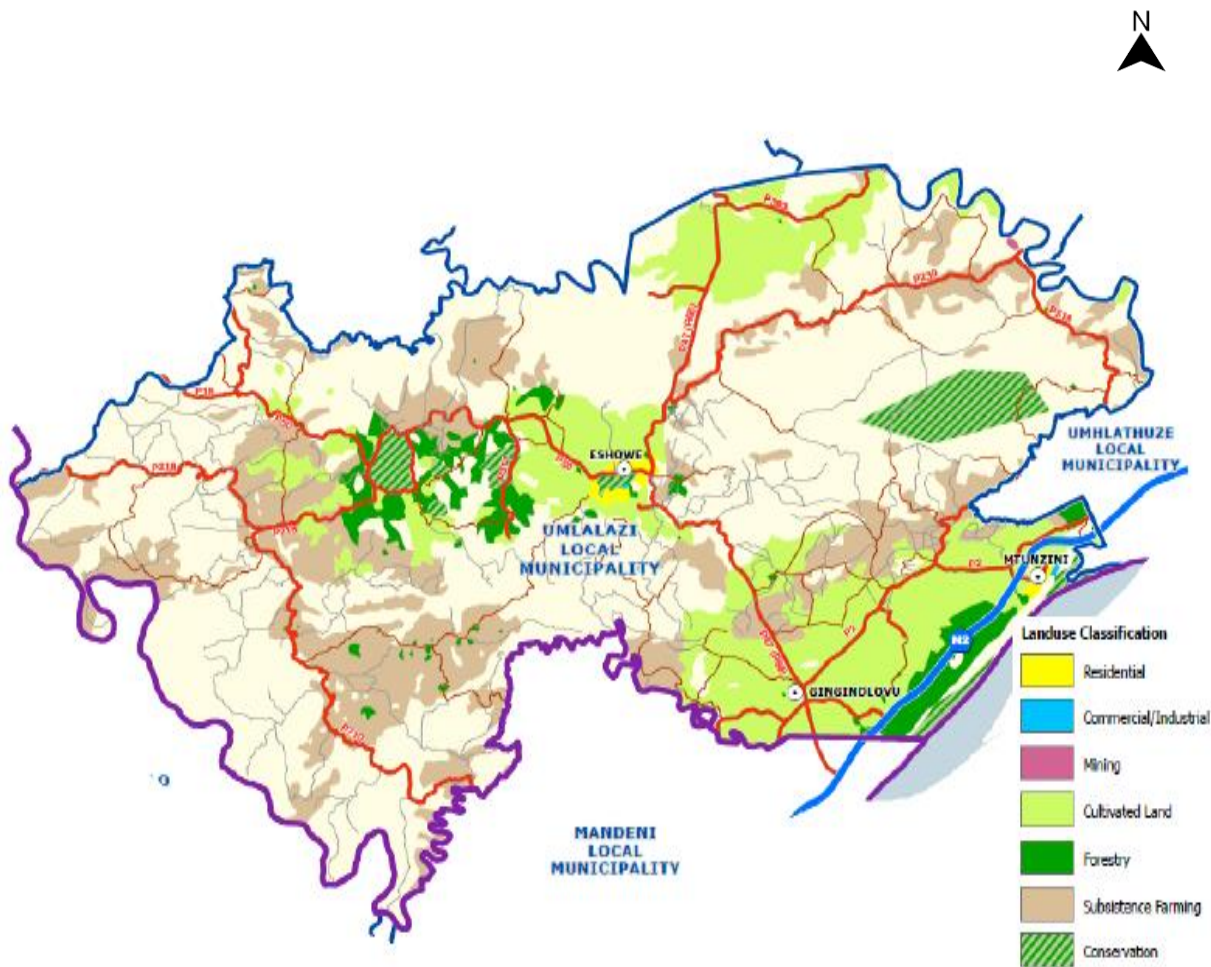
Source: (Census 2011-2016 cited in uMlalazi Municipal IDP 2019/2020; Page 13)

The demographic profile shows that the population within the uMlalazi Municipality has gradually declined within the year of 2001 and 2011 yet has expanded perceptibly from 2011 to 2016. This has, thus, diverted the population growth rate from a negative to positive growth rate. Therefore, this may be attributed to a better standard of living in respect of service delivery as well as practising of more sustainable livelihood strategies. furthermore, regarding the data presented by the 2016 Stats SA, there is an indication that there is less of an outward movement pattern (migration) and the rising number of children who are between the age of 0 – 14 (37% - 43%) shows that the birth rate has expanded between 2011 and 2016. This positive change in population growth will mean more effort on the part of the government to deliver services to the people.

The uMlalazi Local Municipality is characterised by a high unemployment rate and poverty and much needs to be done by all sectors of government to deal with these issues. In addition, the Municipality's (2019/2020) Draft Integrated Development Plan Review also points to the issue of crime which impacts negatively on the GDP as well as on the development of the Municipality. The Municipality is largely dominated by the agricultural sector which makes a significant contribution to employment in the area. However, these jobs are likely to be low-skilled and low-paid. The Municipality is facing service delivery backlogs. There are still inadequate formalised trading areas in both urban and rural areas and this has had a negative impact on the local economic development of the Municipality (uMlalazi Local Municipality, 2019/2020 Draft. Integrated development Plan Review).

As can be seen in Map 5.4 below, there are various land uses in the municipal area. Commercial farming areas comprise a broad, continuous band from the west of Eshowe to Gingindlovu and in the north to the town of Mtunzini. Much of the area consists of tribal authority land, where land management has been poor. It is characterised by undulating topography, causing difficulties for the delivery of engineering services. Furthermore, the types of houses found in the traditional authority or tribal areas are mud houses, rondavels and compounds for people who work in the sugarcane fields. Most if not all the rural areas in the uMlalazi Municipality have gravel roads and lack engineering services.

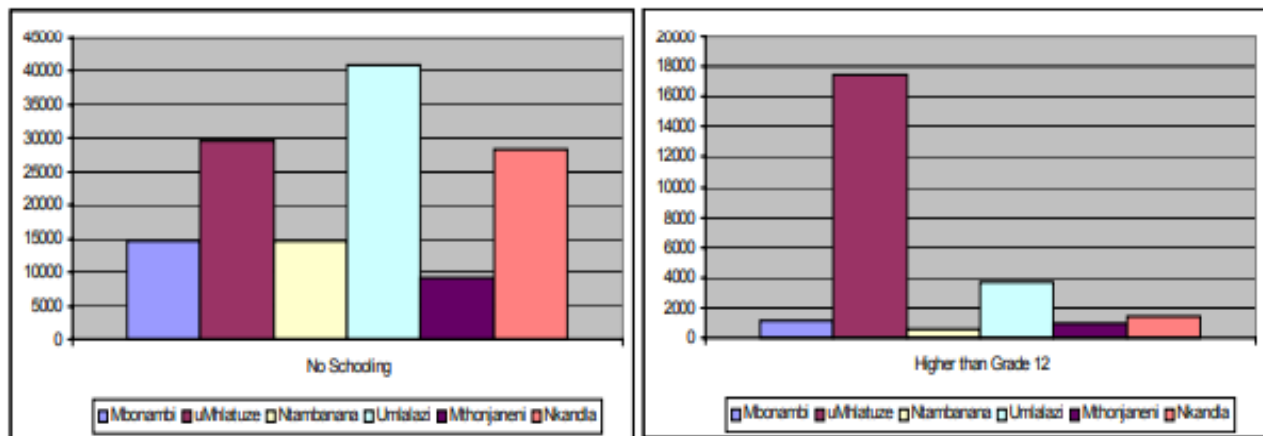
Map 5.4: Broad land uses within uMlalazi Local Municipality



Source: (uMlalazi Local Municipality, 2019/2020. IDP; Page 56)

In terms of education, Figure 5.3 below shows that the uMlalazi Local Municipality has a large number of people with no schooling. This can probably be attributed to the presence of unskilled migrants looking for employment in the more urban areas of the King Cetshwayo Municipal District (Colvin et al., 2005). People with tertiary education are few in number (but more than some of the other municipalities in the district). The largest number of people with tertiary education are found in uMhlathuze Municipality and this is not surprising given that it is considered the economic engine of the King Cetshwayo District Municipality.

Figure 5.2: Comparative levels of education between municipalities under King Cetshwayo District Municipality



Source: (Colvin et al., 2005; page 64)

It is also not surprising that the uMlalazi Municipality is characterised by unemployment and poverty given that low levels of education normally correlate strongly with unemployment, poverty and low levels of income.

5.4 Gingindlovu

Gingindlovu, which is the study area for this research, is located under the uMlalazi Local Municipality. It is a small urban node (town) rendering basic services to the immediate population of the area. It is argued that Gingindlovu has great potential to establish itself as a logistics and industrial zone (uMlalazi Local Municipality, 2019/2020 Draft. Integrated Development Plan Review). Map 5.5 below depicts Gingindlovu and reflects the various amenities available.

Gingindlovu, known for its historical events, was named by King Cetshwayo and means “swallower of the elephant” which refers to his victory over his brother Mbulazi in 1856. It is the site of a battle between the British and the Zulu in 1879. A black stone memorial on the left-hand side of the R66 route between Gingindlovu and Eshowe marks the site of the battle (see Figure 5.4 below)

Figure 5.3: Black stone memorial



Source: (Nightjar Travel Guide South Africa, 2019; page 2)

Demographically, Gingindlovu consists of mixed races (black, white and coloured) with black isiZulu-speaking people predominating. In the rural areas, however, the population is entirely black – a mixture of rich, poor, young, and old. Gingindlovu has population of 4 602 and a total number of 1 837 households. However, the focus is on Gingindlovu Ext. 5 and 6 which has 143 housing units. The study area (Ward 18) is led by a councillor, Mr Nsele representing the Inkatha Freedom Party (IFP). Gingindlovu has a community hall, residential area, recreational zone, educational facilities such as day-care centres, a creche, primary and high school and a shopping centre. There is also a post-office and police station that are located close to the shopping centre.

Reflecting the situation in the uMlalazi Local Municipality as a whole, there are few sources of employment within Gingindlovu. The first is the shopping centre while the second comprises the sugar cane farms and it is evident that this sector employs more people.

5.5 Current analysis of housing demand in uMlalazi Municipality and Gingindlovu

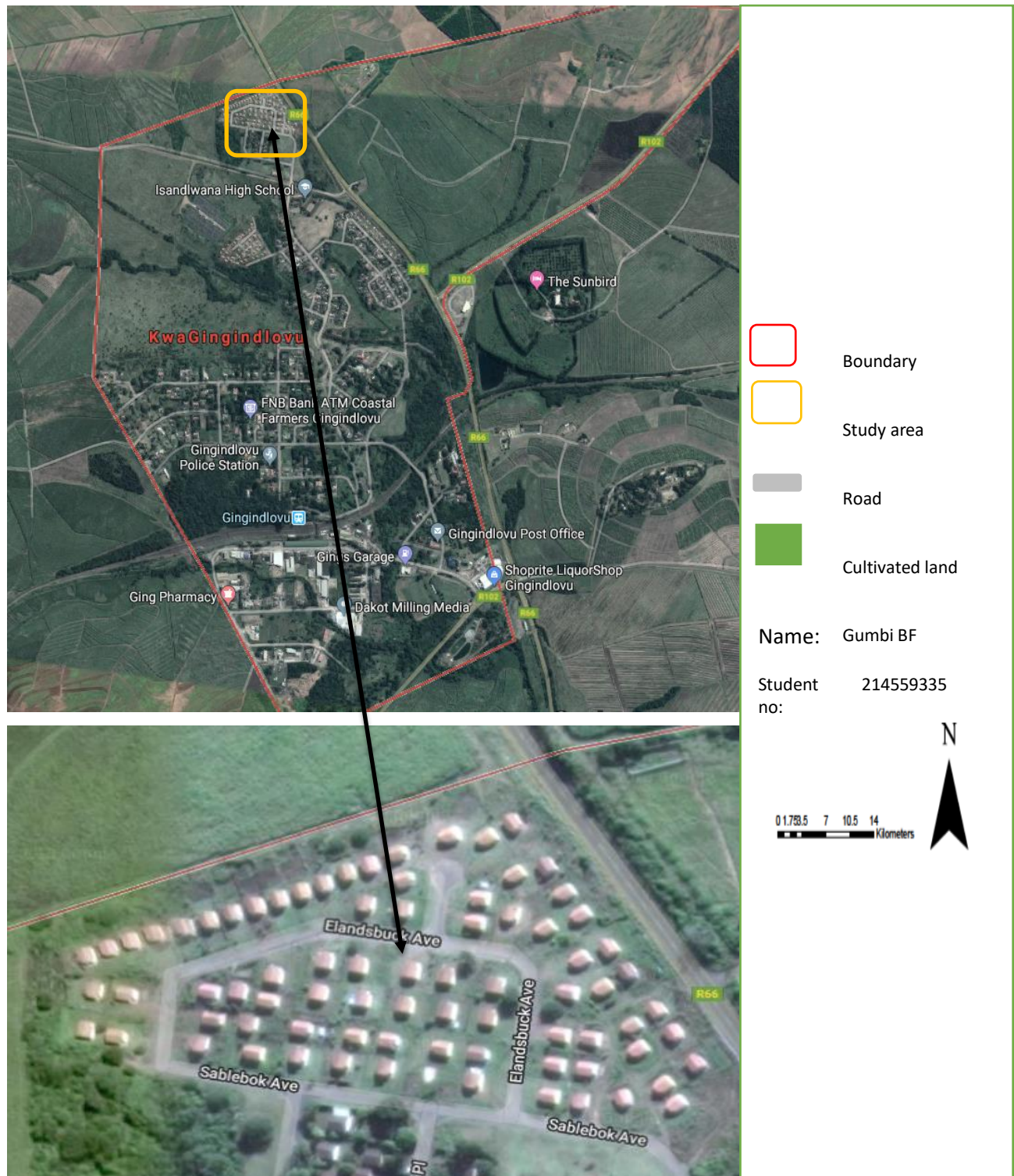
The total number of informal settlements is approximately 496 and the number of informal dwellings in backyards amounts to 333 (uMlalazi Local Municipality, 2019/2020 Draft Integrated development Plan Review). This indicates a total potential housing shortage of 829 people who live in informal structures. The overall number of households within the uMlalazi Municipality that are living in formal housing is approximately 16 368.

Gingindlovu is the smallest of the urban nodes and acts as a service centre for the close neighbouring areas, in particular, the farm areas. The immediate housing demand in respect of Gingindlovu is 300 units. The housing waiting list is approximately 500. There is, therefore, a shortfall. The housing demand in Gingindlovu is expected to be higher than the figure showed above. This is due to the fact that approximately 150 households are squatting on state-owned land (Erf 76, Gingindlovu Township). The local council is in the process of ratifying the situation (uMlalazi Local Municipality, 2019/2020 Draft. Integrated development Plan Review).

5.6 Integration and sustainability of the housing project

Map 5.5 below reflects the position of the Gingindlovu housing project in relation to the town. As can be seen, it is well-positioned being adjacent to the R66 road and reasonably close (within walking distance) to the shopping centre and other amenities. The availability of diverse modes of transport makes it possible and convenient for residents to travel to economic and employment opportunities. In addition, it also promotes integration in terms of its location to the middle-income group, thereby making the project economically, socially and environmentally sustainable. The Gingindlovu housing project is thus a well-planned settlement in respect of both the location and the physical design of the housing units.

Map 5.5: Aerial view of Gingindlovu and location of housing project (Ward 18)



Source: (Google Maps, 2019)

5.7 Conclusion

This chapter presented background information on the Gingindlovu area (Ward 18) in which the housing project was located. In doing so a hierarchical approach was adopted with the Kings Cetshwayo District Municipality being described first. This was followed by information on the uMlalazi Local Municipality and then the town of Gingindlovu and Ward 18 in which the housing project was located. Aspects described and discussed included history, geographical location and demographics of the areas. The chapter ended with an analysis of the housing demand in both the local Municipality and the town. It was made evident that the housing project was well-located for a number of reasons including its proximity to employment opportunities, health and educational facilities.

Chapter Six: Presentation and discussion of research findings

6.1 Introduction

This chapter presents and discusses the research findings that emerged from the data that was gathered using qualitative methods. This chapter is important since it examines the research findings with the intention of providing recommendations and conclusions with regard to the use of a house for income generation (see Chapter Seven). The findings were obtained from questionnaires completed by 10 beneficiaries who had started businesses from their homes and a further 10 beneficiaries who had not done so. Findings were also obtained from an interview with a Department of Human Settlements (DoHS) official from the uMlalazi Municipality. The third method was the observation of the study area by the researcher. The findings will be used to answer the main research question (To what extent do the residents of Gingindlovu use their state-subsidised houses as sources of income?) as well as the subsidiary questions (see Chapter One). The findings from the questionnaire directed at the beneficiaries are presented first. These are followed by the findings from the interview with the municipal official and, lastly, the findings in terms of the literature and theoretical and conceptual frameworks. The findings from the observation will be integrated into the above and will also take the form of photographs.

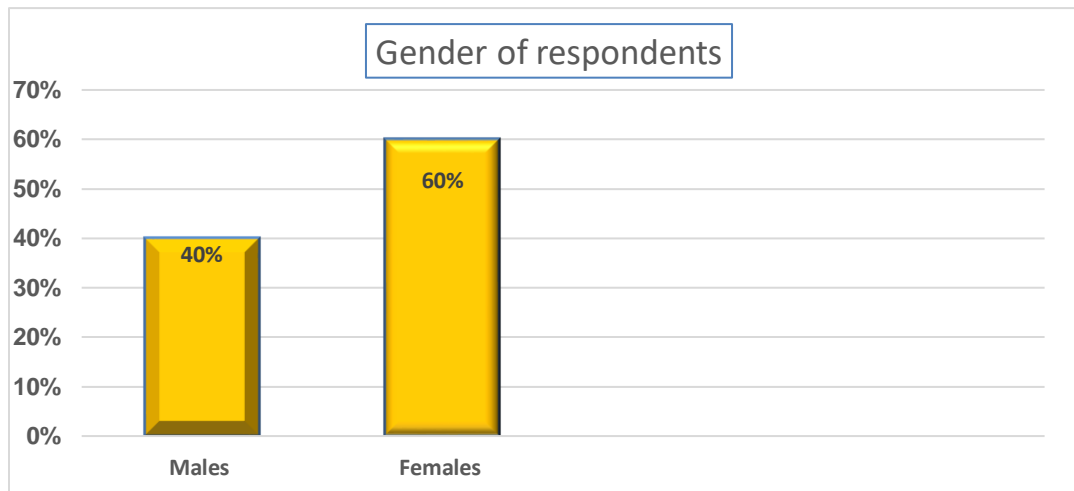
6.2 Findings relating to the housing beneficiaries in Gingindlovu

This section presents demographic-type information relating to the 20 respondents who were beneficiaries of the BNG houses. Findings relating to gender, age and the length of stay in the area are presented.

6.2.1 Gender and age of respondents and number of years in the area

The gender and age of the respondents is reflected in Figures 6.1 and 6.2 below. This is followed by the number of years in the area.

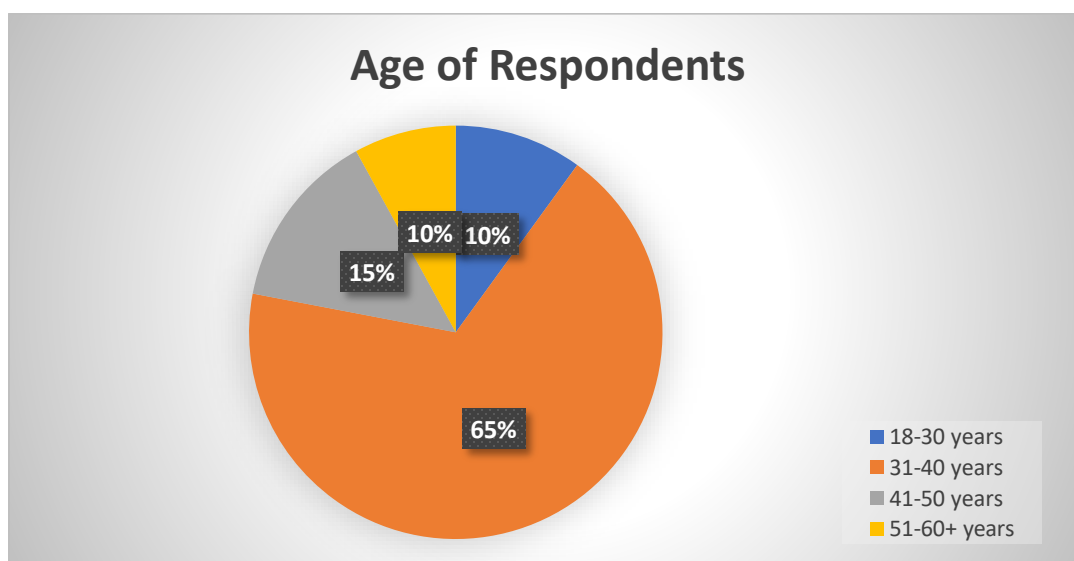
Figure 6.1: Gender of respondents N=20



Source: (fieldwork, 2019).

Figure 6.1 shows that out of 20 respondents that participated in the study, 12 (60%) were females and eight (40%) were male. The reason for this could be due to there being more females than males in the area; in most cases, males migrate to other areas to look for better economic opportunities.

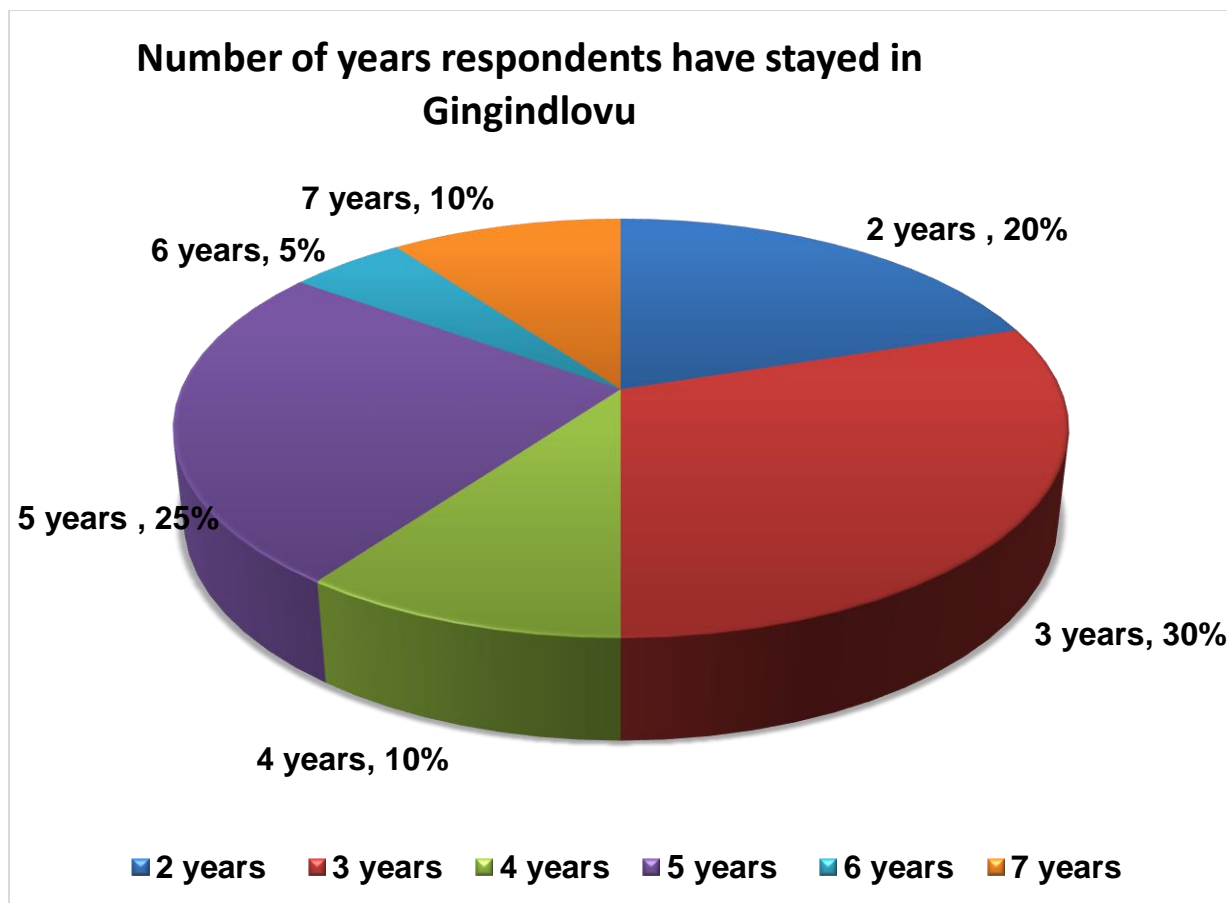
Figure 6.2: Age of respondents N=20



Source: (fieldwork, 2019).

The pie chart above (Figure 6.2) illustrates that the majority of respondents (65%) were between the ages of 31-40 years. This would suggest that within Gingindlovu the majority of the housing beneficiaries were people who fell into the same age range. As can be seen, all age groups were represented which shows that the housing project did not discriminate in terms of age – it catered for all age groups.

Figure 6.3: Years respondents have stayed in Gingindlovu N=20



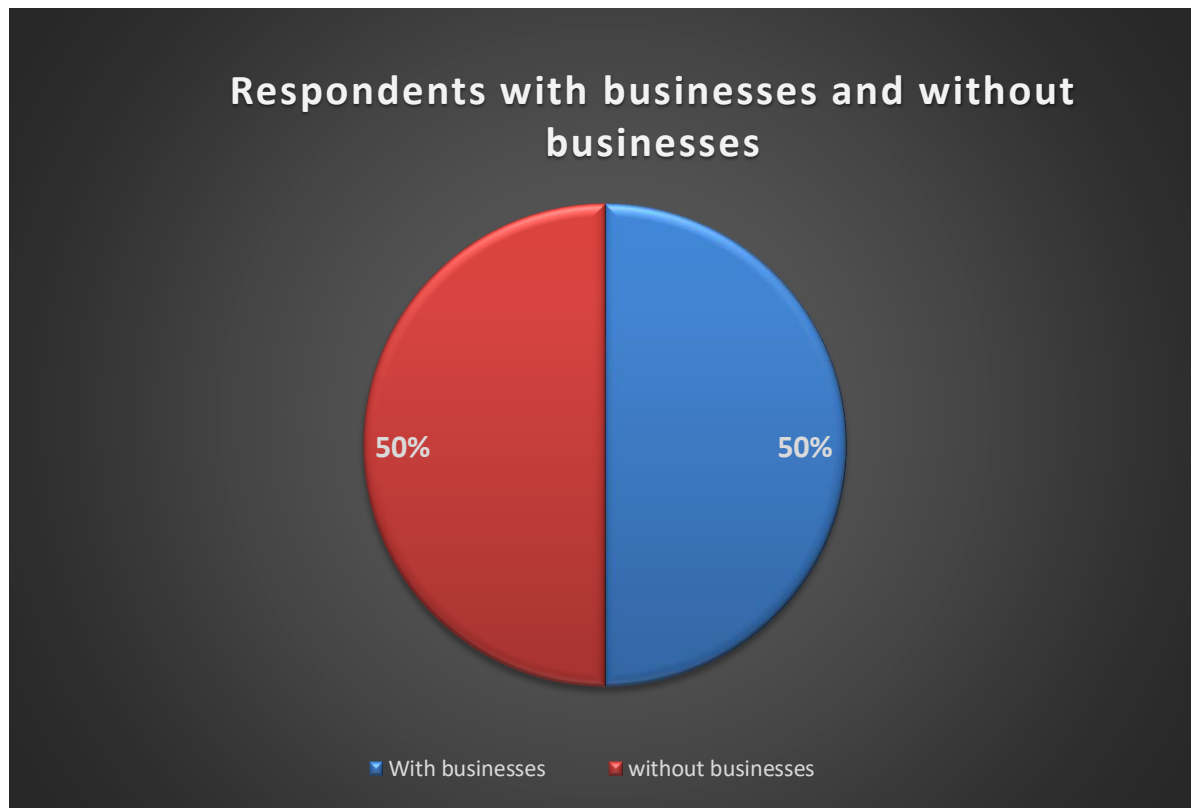
Source: (fieldwork, 2019).

Figure 6.3 shows that no respondents have stayed for more than seven years in the area. It further shows that no respondents had stayed for less than two years. The largest number of respondents, six (30%) had stayed for three years and this was followed by five (25%) who had been in the area for five years. These findings suggest that the respondents were well-qualified to take part in the study. It also needs to be borne in mind

that the beneficiaries were moved from informal settlements in Gingindlovu where they used to live, to the newly built houses as part of a housing relocation project.

6.2.2 Use of housing for income generation purposes

Figure 6.4: Respondents with and without businesses N=20



Source: (fieldwork, 2019).

In line with the intention of the study and the sampling approach used, Figure 6.3 demonstrates that 50% of respondents had started businesses and 50% of respondents had not done so. Those with businesses mentioned that they were happy with their businesses but that there were challenges that they faced in running their businesses. Challenges include strong competition among the businesses and few customers to support their activities. The latter is understandable since the study area is not urbanised and thus the population (and market for their businesses) is small. Furthermore, most people are unemployed.

Those respondents without businesses provided the reasons why they did not start any income generation activities. The reasons highlighted by the respondents included the lack of start-up capital and the high unemployment which they felt would make it difficult for them to sustain their businesses.

6.2.3 Livelihood strategies utilised by Gingindlovu residents

Through the researcher's observation in the field, it was found that the most common means of generating income in Gingindlovu is in the form of tuck-shops/spaza shops. This was also reflected in the responses from the 10 housing beneficiaries. Table 6.1 below shows the type of businesses run by the respondents from their BNG houses as a way of generating income. Sixty percent had spaza/tuck-shops, 10% sold beverages, 10% did hairdressing, 10% did mechanical repair work and a further 10% ran a day-care centre.

Table 6.1: Type of businesses run by respondents N=10

Activities	No.	%
Spaza/ tuck-shops	6	60%
Selling beverages	1	10%
Hair salon	1	10%
Mechanic	1	10%
Daycare	1	10%
Total	10	100%

Source: (fieldwork, 2019).

The researcher also observed that there are other means of generating income in the area. For example, residents of Gingindlovu sell their goods and services at the nearest shopping area (as opposed to doing so from their homes). Such activities include hair salons and street vendors who were mostly found at the taxi rank and along the side of the road. Photographs in Plate 6.5 and 6.6 below reflect these other income generation approaches.

Plates 6.1, 6.2 and 6.3 below provide photographic evidence of some of the income generation activities run by the BNG housing beneficiaries. There are tuckshops where they sell daily needs food items such as canned food, bread, bottled beverages as well as fast foods (such as fried chips). Plate 6.4 below shows the household that does mechanical repair work in their yard as a way to generate income.

Plate 6.1: Tuck-shop



Source: (Fieldwork, 2019)

Plate 6.2: Room turned into a tuck-shop



Source: (Fieldwork, 2019)

Plate 6.3: Fast food shop



Source: (Fieldwork, 2019)

Plate 6.4: Mechanical repair



Source: (Fieldwork, 2019)

It is evident from both observation and questionnaire findings that employment in Gingindlovu is mostly informal and this usually takes place in the shopping area. This is understandable since it is where activities are concentrated and where large numbers of people come to do their shopping (groceries, hardware and the like) and to use public facilities (such as the library).

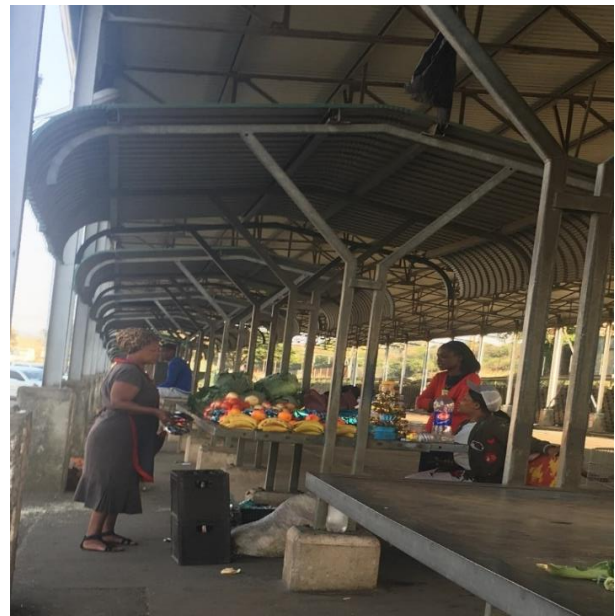
Plate 6.5: Caravan selling

Fast foods/ takeaways



Source: (Fieldwork, 2019)

Plate 6.6: Street vendor

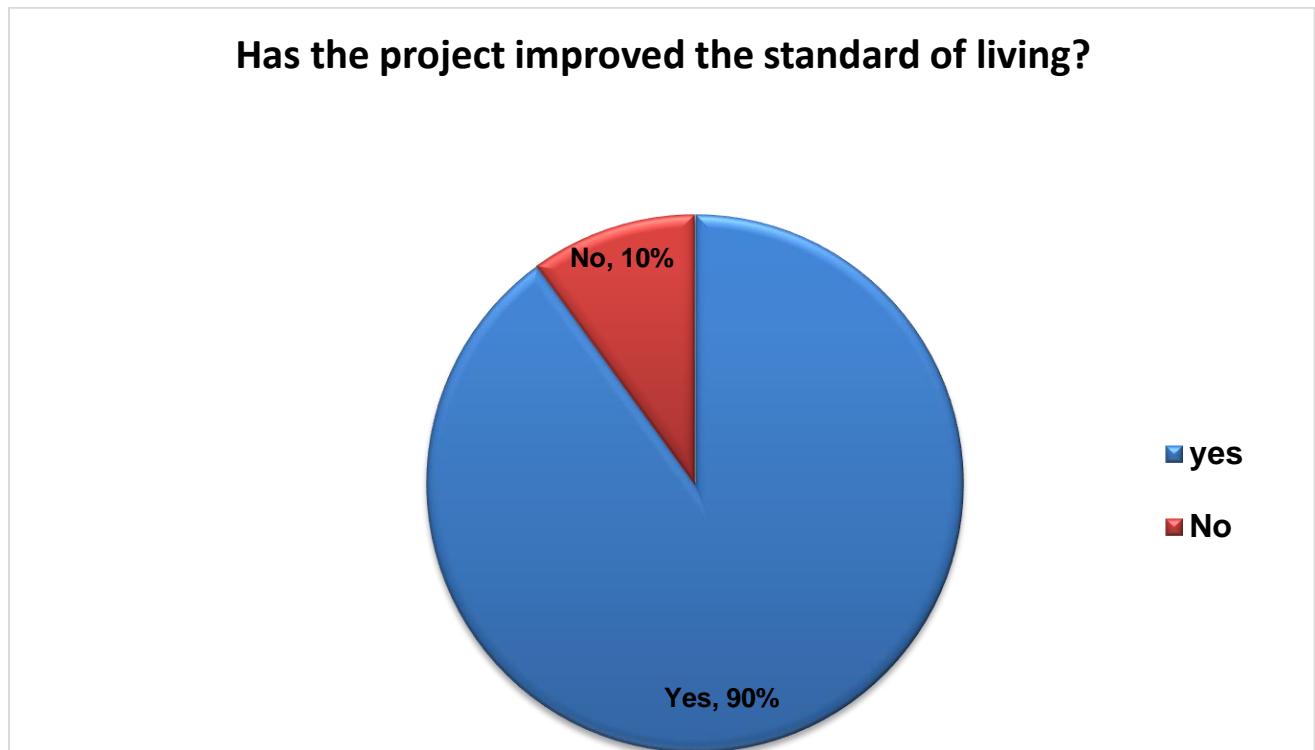


Source: (Fieldwork, 2019)

6.2.4 Improvement in standard of living

Respondents were asked if the housing project had improved their standard of living.

Figure 6.5: Standard of living N=20



Source: (fieldwork, 2019)

Figure 6.5 illustrates that the vast majority (90%) of the respondents felt that the project did improve their standard of living. Respondents mentioned that they used to live in informal settlements but now they have decent houses, are close to the shopping centre and schools, and have access to water and proper sanitation. Essentially, their living conditions were much better when compared to their previous location. Additionally, those who had started businesses from their homes pointed out that this doing so would not have been possible while they were staying in informal settlements. Furthermore, those who were running businesses mentioned that their income had increased since establishing the business and while it (the income) covered some household needs, it did not cover everything. Some beneficiaries have extended and renovated their houses and the reason for doing so was that they wanted more space to run their businesses.

Plate 6.7 below illustrates a house undergoing an extension.

Plate 6.7: House Extension



Source: (Fieldwork, 2019)

The two (10%) respondents who said that their standard of living had not improved (Figure 6.5) were asked whether they thought that the BNG houses have helped other people to generate an income. Both were of the opinion that the housing project had not helped other people to start businesses. They emphasised that people are unemployed and that it was hard to start a business when one does not have start-up capital. However, the two respondents did acknowledge that the project had helped improve their living conditions. They pointed to better sanitation, safe electrical installation and a recreational park where children could play safely. For these improvements, they were appreciative of the government's efforts.

Findings revealed that none of the beneficiaries had used their houses as collateral to access loans from a financial institution. It was evident from responses, that the respondents do not have any idea of how to access loans. Furthermore, respondents claimed that even if they had knowledge regarding this, they still would not utilise their houses for securing loans. The reason given was their concern that they might lose their houses if they were unable to pay back the loan.

6.3 Findings as per the interview with the uMlalazi Municipality official - Department of Human Settlements (DoHS)

An interview was conducted with the municipal official from the DoHS who was responsible for the delivery of BNG houses and thus had knowledge and understanding of the housing project. When asked to give some background to the BNG housing project in Gingindlovu, he stated that the project was piloted by the Municipality as an upgrading project to provide sustainable human settlements to people from Gingindlovu. The municipal official further stated that the provision of houses was necessary since the Municipality was obliged to meet the needs of the people. Therefore, it was guided by the BNG policy (previously referred to as the RDP).

In terms of the housing project, extensions 5 and 6 were allocated 143 housing units and, as mentioned, preference was given to inhabitants of the informal settlements in Gingindlovu. All bulk infrastructure was made available by the District Municipality to ensure sustainable development and future expansion for the housing project. Furthermore, the project had to be in line with the Integrated Development Programme (IDP) and Spatial Development Framework (SDF) of the Municipality.

The municipal official was asked what the aim behind the BNG housing project in Gingindlovu was. He responded by stating that as promulgated by the Constitution of the Republic of South Africa (Act 108 of 1996) the main aim was to provide sustainable human settlements for the previously disadvantaged groups within Gingindlovu. Currently, the BNG policy had managed to assist the Municipality in addressing housing demand within Gingindlovu. The official was of the opinion that the aim had been achieved even though the demand for housing would always be a challenge, given the rural-urban migration and the high rate of unemployment. He continued by pointing out that the demand for housing increases as the population grows and since the uMlalazi Municipality is mostly dominated by rural areas, there is a high unemployment rate. It was for that reason the Municipality needed to keep up with the escalating housing demand from those who are unable to buy or build their own houses.

The official noted the great strides that had been made and that decent housing had been provided to qualifying beneficiaries within Gingindlovu. Moreover, when asked if the DoHS had taken the economic and social opportunities of beneficiaries into consideration, the response was that after consulting the SDF (noted above) and the town planning schemes, housing developments had been and were strategically positioned closer to social amenities to allow for sustainable human settlements. He reiterated that the housing project in Gingindlovu is located within a 2 km radius to schools (shown in plate 6.8 and 6.9 below) and the R66, and within 5 km of the shopping centre and clinic. Furthermore, the housing development is closely situated to industrial and economic hubs in Gingindlovu.

Plate 6.8: High school



Source: (Fieldwork, 2019)

Plate 6.9: Pre-school and day-care centre



Source: (Fieldwork, 2019)

When asked if the uMlalazi Municipality has implemented the objectives of the BNG policy in terms of making it possible for the beneficiaries to run businesses from their houses, the municipal official responded by stating that the beneficiaries of the Gingindlovu housing project were currently enjoying wealth-creating opportunities. However, he went on to say that the Municipality was aware of the objectives of the BNG policy and that is to try to accelerate the provision of housing as a key strategy for poverty alleviation within

the Municipality; to further utilise the delivery of housing as a key job creation strategy; to ensure that property can be accessed by all approved beneficiaries as an asset for wealth-creation and empowerment; to help control and contribute towards growth in the economy; and to overcome the challenges of crime in society.

According to the municipal official, the BNG policy objectives as far as HBEs were concerned were being partially met since the informal economy was, in his opinion, thriving within the Gingindlovu housing project. He pointed to there being “quite a few” informal business and economic strategies that locals were harvesting to cultivate a sustainable living since the area was also affected by limited job creation. He gave as an example the informal tuck-shops that form the basis of the informal economy within the parameters of the housing project.

Besides the provision of BNG houses, the municipal official was asked whether there were any other programmes that had been carried out in Gingindlovu to help the low-income residents generate income. The municipal official responded by stating that the Municipality has a functioning Local Economic Development (LED) Unit which, alongside the Housing Unit was gearing-up towards further capacitating beneficiaries from the Gingindlovu housing project so as to help potential businesses get the necessary accreditation for business registrations and co-operatives – the latter would help the housing project beneficiaries start small gardens for themselves and their families and to better their economic opportunities. When asked what effort has been made by the Municipality to enable the beneficiaries to use their houses to generate income, the official responded by stating that to date it (effort) had been minimal. However, he did say there were short and long-term plans to ensure that beneficiaries could generate income using their houses.

The official pointed out that the beneficiaries were satisfied with the use of their houses for income generation activities. He went on to say that the houses, being fixed assets, yield substantial potential to provide the beneficiaries with economic benefits in both the short and long-term. The official referred to the legislation stating that when the owner of

a house is in possession of his or her title deed he or she has an option to sell their property after yielding to the pre-emptive clause to not sell or otherwise alienate his or her dwelling or site within a period of eight years (as per the conditions contained in the Housing Amendment Act, No. 4 of 2001).

6.4 Findings in terms of the literature and theoretical and conceptual frameworks

The UNDP (1997) states that the concept of sustainable livelihoods could serve as an incorporating factor that permits policies to address development, poverty eradication as well as sustainable resources management at the same time. Therefore, this study was testing the principles of the sustainable livelihoods approach by asking whether the delivery of BNG houses was able to address development and whether it brought about the eradication of poverty. Based on the findings of the study, the delivery of BNG houses has brought about change as it (the delivery of houses) was able to address development as well as bring about the alleviation of poverty in Gingindlovu. Some households were now sustaining themselves as they had established HBEs.

Chambers and Conway (1992) assert that livelihoods comprise the capabilities, assets (which include both material and social resources) and actions necessary for a means of living. It is said that a livelihood is sustainable when it can cope with and recover from stresses and shocks; and enhance its capabilities and assets both in the present and in the future, while not damaging the natural resource base (Chambers and Conway, 1992). Furthermore, Morse and McNamara (2013) claim that the focus here is effectively on poverty alleviation, sustainable development and economic growth. This study also tested whether people could use their houses as a source of livelihood and whether they could survive on the businesses they run from their houses.

The basic needs approach relates to this study in that it was hypothesised that the use of housing as a livelihood strategy contributed to poverty alleviation and to a change of living conditions of low-income people. Therefore, in this study, the basic needs approach was used to underpin whether the BNG housing beneficiaries utilised the provided houses as

a source of income which, in turn, would assist in meeting basic needs. Moreover, the basic needs approach has added to our understanding of the need for government to provide low-income people with the opportunities to meet their basic needs. This study was also tested whether the housing project was able to provide beneficiaries with other essential public services (besides the provision of housing), to assist in meeting other necessary basic needs, like the use of the house for the purpose of generating income.

This study found that an enabling environment was created by the Municipality (and government) in the provision of such houses. For example, beneficiaries were able to take actions or initiatives to further reduce poverty by starting businesses in their houses (income generation activities). Furthermore, the houses had been erected in a location more suitable than the one where beneficiaries had been staying. The houses, for example, are situated in close proximity to social, educational and economic amenities.

The Housing Asset Triangle was used as a concept in this study. It outlines housing as a social, financial and economic asset. According to this concept, a house can provide all three assets depending on its owner. Housing is a social asset because it safeguards people's security of tenure (sense of citizenship) and therefore acts as a social safety net and gives a sense of belonging in the area where it is located (Rust, 2007). Moreover, as the social asset value of a dwelling is recognised by the fact that it provides the aforementioned benefits, the government, therefore, in providing subsidised housing, is automatically providing beneficiaries with a valuable social asset that will help them to sustain themselves as well as enhance their income and security. Beneficiaries of Gingindlovu housing project had been living under harsh conditions in informal settlements, without title deeds and in houses of poor quality. Housing beneficiaries were grateful that they were provided with houses and, in addition to having full ownership of the houses, they also had a sense of belonging.

According to the Triangle, housing is also labelled as a financial asset which means it alleviates the inability of poor households to access finance by using the house as collateral against bank loans and other sources of finance (Rust, 2007). The financial

asset becomes crucial when the owner or household wishes to enhance their housing situation by deciding to sell their current home and buy a better one, more suited to their needs. It was evident from the findings of the study that beneficiaries have no or little information about using their houses for collateral to access loans. Furthermore, the beneficiaries made it clear that even if they had information about how to access such loans, they would not be willing to risk using their houses for securing loans because they feared that they might lose their houses should they fail to pay back the loans.

Categorising housing as an economic asset means the house enables the owner to use it for income generation purposes. The economic element of a housing asset comprises its income earning potential and the extent to which it can add towards a sustainable livelihood. Moreover, in instances where there is a high level of unemployment, income can be produced through the practice of HBEs. The 10 housing beneficiaries in the study had all started such enterprises to generate income. The provision of BNG houses to the people of Gingindlovu has enabled the beneficiaries to use them for income generation activities. Households were earning income through HBEs and this is indicative of the initiatives taken by households to reduce poverty in the context of high levels of unemployment.

The Housing Asset Triangle concept relates to this study since the aim of the study was to assess whether residents of Gingindlovu use their state-subsidised houses as a source for income generation. The study found that the Gingindlovu housing beneficiaries were indeed using their subsidised houses as sources for income generation. Various home-based income-generating activities have been established by the beneficiaries including tuck/spaza shops, selling fast foods and mechanical repairs. All these activities are operated from within the houses or their yards. This therefore shows that residents of Gingindlovu use the housing provided to them as an asset or source for income generation. However, not all do so for reasons put forward earlier.

6.5 Conclusion

This chapter reported on and discussed the findings of the study. It presented information on the different income generation activities that are utilised by the housing beneficiaries in Gingindlovu. The provision of subsidised housing has changed beneficiaries' lives for the better irrespective of whether or not they used the house for income generation activities and the concept of the Housing Asset Triangle was pertinent in this regard. As shown, the beneficiaries were people relocated from informal settlements where the housing was of poor quality and there was no sense of ownership through title deeds. While not all respondents (or beneficiaries) were using their houses for income generation those that were, were earning an income which assisted in satisfying the basic needs of the respective households in a context of few job opportunities and consequent high unemployment. The chapter has revealed that there are challenges faced by beneficiaries who wish to start income generation activities as well as for those who have already established and running such activities.

Chapter Seven: Summary of findings, recommendations and conclusion

7.1 Introduction

This chapter provides a summary of the findings presented in Chapter Six concerning the use of housing as a source of income by housing beneficiaries in Gingindlovu. The data for the study was collected using an interview (conducted with a municipal official), questionnaires (used with the housing beneficiaries) and observation (done by the researcher). In addition to the summary, the chapter provides recommendations with regard to using housing as a source of income to alleviate poverty and ends with a conclusion to the entire study.

7.2 Summary of research findings

The study has shown that most HBEs are run by females. The level of satisfaction of the business owners is high as they mentioned that being home-based is where they live and, as such, makes it more convenient. However, there are a number of challenges that they have to deal with while running their income-generating activities. Challenges include strong competition among the businesses in their neighbourhood. This is due to the fact that many households are doing the same income-generating activity, namely, providing tuck/spaza shops. Income diversification is the norm among rural dwellers and different income-generating activities offer alternative pathways to break out of poverty (Davis et al., 2010). It is therefore important when thinking about rural development, to consider a wide range of rural income-generating activities, both agricultural and non-agricultural, carried out by rural households. It is evident that the housing beneficiaries who participated in this study need to consider the issue of income diversification.

Most of the respondents mentioned that the project improved their way of life. Respondents stated that previously they had been staying in informal settlements; now they have proper houses, access to water and sanitation, were near a shopping centre and closer to educational facilities. Their lives were thus characterised by better living conditions when compared to their lives in the immediate past. Some respondents have

established income-generating activities which they were unable to do in the informal settlements given the conditions they experienced there.

Furthermore, the beneficiaries who have HBEs mentioned that their lives have changed for the better and household income has increased since they started the businesses. While income earned from the HBEs covers some household needs, it does not cover everything. Using their houses as collateral for loans never occurred to the respondents and even if it had occurred respondents mentioned that they would not be willing to take the risks involved in borrowing money or they did not have access to financial institutions. In terms of the latter, the respondents would not meet the requirements for securing a loan due to being unemployed and those that were employed were working at low-paying jobs. Since most of the businesses are survivalist in nature, savings levels are either non-existent or very low.

There seems to be some evidence that having secured title deeds and the availability of infrastructure improve the existence of HBEs. Furthermore, while there is clear evidence that these enterprises do in fact contribute to poverty alleviation there are, however, a number of inhibiting factors. Challenges faced by respondents who have not started businesses include the lack of start-up capital. The main concern of the respondents was that being unemployed, they had no secure income that could help them start income-generating activities and even if they were offered a loan to start businesses, they were afraid that they might lose their homes should their businesses fail. Housing beneficiaries who have started income-generating activities have insufficient resources to grow their businesses.

The informal economy of which the HBEs are a part is important in terms of sustainable income-generating activities which, in turn, provide for an increase in household income. It is believed that HBEs help in taking people out of poverty. However, the study found that these home-based income-generating activities were “survivalist” in nature as they were not enough on their own to help people break completely out of poverty – respondents mentioned that the income earned from running a business from the house

did not cover all the household needs. The fact that this was a relocation project meant that the beneficiaries had to adapt to a new environment and despite this, there were beneficiaries who managed to start income-generating activities which are proving to be successful.

The Municipality believed that the aim of the project had been achieved by providing houses in a viable environment for previously disadvantaged groups within Gingindlovu. Despite the municipal effort, the demand for housing will always be a challenge not only at a local level but at a provincial, national and international level as well. Due to the imbalances of the past, the democratic government has a long way to go in redressing housing demand and keeping up with the escalating housing backlog.

7.3 Recommendations

Drawing from this study in its entirety, the following are the recommendations for the use of housing as an income source:

7.3.1 Start-up capital to run businesses

The DoHS and the uMlalazi Municipality Housing Unit should, in their programmes, come up with a financing mechanism for housing beneficiaries to afford start-up capital should they wish to run businesses. Rural areas are considered to lack local job opportunities (Hajdu et al., 2011) and this study has shown that income-generating activities have great potential for poverty alleviation in these areas. Therefore, the study recommends that the government give serious consideration to incorporating income generation activities and related interventions into new housing projects.

Given that the Municipality is unlikely to have sufficient funds to finance beneficiaries, it is proposed that the municipalities create a financing mechanism and source funds from other governmental spheres, for example at a provincial or national level, to help those beneficiaries who wish to start income-generating activities using their houses. For this to work, the authorities would require that beneficiaries submit a proposal for an income-generating activity indicating, amongst other things, the exact kind of activity that they are

interested in developing. However, since the uMlalazi Local Municipality is dominated by rural areas, people might not have the necessary knowledge on how to produce a proposal. Therefore, education and awareness programmes need to be implemented to assist people who wish to establish income-generating activities.

7.3.2 Education programmes

According to the Department of Basic Education (2015) rural education was a huge part of South Africa's history and in recognising the improvement the country had made, not enough attention had been given to rural education and this needed to change. The majority of rural areas have poor socio-economic backgrounds which are characterised by, among others, poverty and poor housing quality (Department of Basic Education, 2015). Therefore, there is a need for education or awareness programmes to be conducted within municipal areas. Programmes that will help beneficiaries to get information (and knowledge) on the use of a house for income generation and to access loans (collateral) are needed.

The findings of the study have shown that beneficiaries have little or no information about using their houses to access loans from financing institutions. They also feared that they might lose their houses in cases where they fail to pay back the loan. Therefore, the study recommends that the Municipality develop programmes to educate housing beneficiaries on how they can use their houses to source funds. Educational programmes could also assist people with skills that they could use for livelihood strategies in a rural setting. Education is of great importance for any individual and giving people an opportunity to learn could be the way out of poverty.

7.3.3 Provision of space for income generation activities

Home-based businesses use space that is also used for domestic purposes (Reuschke and Mason, 2015). The study found that households commonly use a portion of their houses to run income-generating activities which in turn takes up space (or the whole room) that would have normally been used for domestic purposes such as a bedroom. This leads to overcrowding and some households end up with members all having to

sleep in a single room. The study, therefore, recommends that the government should incorporate space for income-generating activities into the design of their subsidised housing. This, apart from enabling an income-generating activity, will also increase the social and economic integration of the society living in the area as well as enhancing community cohesion. It will also create employment opportunities thereby reducing unemployment rates in the area. The provision of space in the house for income-generating activities will help housing beneficiaries earn an income and this will also help the beneficiaries to be in a better position to save money for house maintenance, thereby improving their living conditions and also the value of their houses in the long run.

7.4 Conclusion

In conclusion, the study has investigated the use of housing as a source of income in a rural low-income area. The study has been able to successfully address its aim and that was to assess the extent to which residents of Gingindlovu use their state-subsidised houses as sources for income generation. It was evident from the findings that not all housing beneficiaries used their houses for income generation purposes but those who did, utilised a number of different activities including tuck-shops, selling fast-food and doing mechanical repairs. The study has shown that those with businesses do experience challenges with regards to the use of their houses to generate income. Challenges uncovered included strong competition among businesses as they offer the same or similar items and the lack of a sufficient number of people (the market) to support their businesses. Moreover, beneficiaries who were not using their houses for income generation purposes did indicate that they would like to start doing so but were unable to due to being unemployed. Therefore, they needed start-up capital. They also displayed a lack of confidence, fearing that should they be given the start-up capital, they would not be able to sustain their businesses and they would fail. Educational and awareness programmes would be important in this regard.

The findings the study indicated that the main contributing factors to beneficiaries using their BNG houses as income sources were unemployment and poverty. Furthermore, this study has shown that respondents were residing in informal settlements prior to the

provision of BNG houses and were appreciative of the government providing them with proper houses, near a shopping centre, close to education facilities, and with access to water and sanitation – in effect far better living conditions when compared to their previous situation. The study also revealed that there is a functioning municipal Local Economic Development Unit that would begin to assist local people with businesses to get necessary accreditation.

This study has hypothesised that the use of housing as a livelihood strategy contributes to poverty alleviation and to a change of living conditions of low-income people. The provision of BNG houses to low-income people in Gingindlovu has not taken people out of poverty; it has, however, contributed to poverty alleviation as findings have shown that income generated from running a business does not cover all the household needs.

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Annexures

Annexure 1: Questionnaire 1

Questionnaire 1: These are the questions for households who are running businesses:

1. Gender of household (Tick)

Male	
Female	

2. Age of household (Tick)

18 - 30	
31 - 41	
51 - 61	
71+	

3. How long have you been staying in this house?

4. When was the house constructed?

5. What kind of business are you currently running from your house?

6. When did you start the business?

7. Would you have started the business if you were not provided with the house?

8. Do you get any support (financial/ training) from local people or local organisation like Municipality?

9. How do you sustain the business, for instance, training or workshop?

10. How have you used your house to generate income?

11. Do you only get income from the use of a house?

11.1 If no, what other source of income do you have?

12. What challenges have you faced in starting this business in the house?

13. What is your total monthly income?

14. How much of this income is generated from your business?

15. Has your income changed since you started using the house for income generation?

15.1 If yes, how?

16. Does your monthly income from the business satisfy all your household needs?

16.1 If yes, briefly explain what it covers?

16.2 If No, what does it not cover?

17. Since you started your business, how has it performed? Give a reason for your answer.

18. In your opinion, do you think the BNG houses have helped other people to generate income?

18.1 If yes, how?

18.2 If no, why?

Annexure 2: Questionnaire 2

These are the questions for households who are not running businesses

1. Gender of household (Tick)

Male	
Female	

2. Age of household (Tick)

18 - 30	
31 - 41	
51 - 61	
71+	

3. How long have you been staying in this house?

4. Is there someone who is helping you to take care of the house?

Yes	No
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- 4.1 Explain how do you sustain your house? (For instance, maintenance)

5. Did this project improve your life?

- 5.1 If yes, explain your answer.

5.2 If no, explain your answer.

6. Do you have any reason as to why you have not started any business from a house?

Yes	No
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5.1 Explain your reasons.

7. Have you thought about starting any business in your house?

7.1 If No, what conditions would hinder you from starting your business?

7.2 If yes, what kind of business would you like to start and why?

8. Have you used the house as collateral when borrowing a loan?

8.1 If yes, briefly explain why.

8.2 If no, briefly explain why.

9. What problems have you encountered in trying to start a business that will bring you an income from your house?

10. In your opinion, do you think the BNG houses have helped other people to generate income?

11. What do you think the Municipality has to do to help people who have not started using their houses to run businesses?

Annexure 3: Interview schedule for Umlalazi Municipality Housing Unit Official

1. What is the background of the BNG housing project at Gingindlovu?
2. What was the aim behind the BNG housing project at Gingindlovu?
3. Was the purpose achieved? Support your answer.
4. Were economic and social opportunities of beneficiaries taken into consideration?
5. Has Umlalazi Municipality done appropriately in implementing the objectives of the BNG policy in terms of making it possible for beneficiaries to run businesses from their homes?
 - 5.1 If yes, explain how?
 - 5.2 If no, explain how?
6. In your point of view, do you think the BNG policy objectives as far as the home-based enterprise is concerned have been practical?
 - 6.1 If yes, explain how?
 - 6.2 If no, what are the challenges and what can be done to address this?
7. Except for the provision of BNG housing, which other programmes have been carried out in Gingindlovu to help the low-income residents to generate income?
8. How has been the Municipality's effort to enable the beneficiaries to use their BNG houses to generate income?
9. Do you think the BNG houses beneficiaries are satisfied with the houses in terms of generating income and explain why?
10. In your own view, are there any shortcomings in the BNG policy that prohibit the use of houses for income-generating activities by households?
 - 10.1 If yes, explain your answer.

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL For research with human participants

INFORMED CONSENT RESOURCE TEMPLATE

Note to researchers: Notwithstanding the need for scientific and legal accuracy, every effort should be made to produce a consent document that is as linguistically clear and simple as possible, without omitting important details as outlined below. Certified translated versions will be required once the original version is approved.

There are specific circumstances where witnessed verbal consent might be acceptable, and circumstances where individual informed consent may be waived by HSSREC.

Information Sheet and Consent to Participate in Research

Date: 15 February 2019

Dear Sir/Madam

Study Title: Assessing the use of Housing as Source of income in a Rural Settlement in KwaZulu-Natal, Case of Gingindlovu.

My name is Bongiwe Felicia Gumbi from the University of KwaZulu-Natal (Howard College) under the School of Built Environment and Development Studies. My contact details: 214559335@stu.ukzn.ac.za or bongiwegumbie@gmail.com

Cellphone number: 0714089461

You are being invited to consider participating in a study that involves research assessing the use of housing as source of income in a rural settlement in KwaZulu-Natal, case of Gingindlovu. The aim and purpose of this research is to assess whether residents of Gingindlovu use their state subsidized houses as source of income generation. The study is expected to enroll 20 participants in total at Gingindlovu, the criteria being that participants had to be 18 years or older or the heads of households. The duration of your participation if you choose to enroll and remain in the study is expected to be 20-30 minutes. The study is not funded by anybody. The study will involve no discomforts and it will provide no direct benefits to participants, however it will help to place space in higher education institutions.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number_____). In the event of any problems or concerns/questions you may contact my research Supervisor at (Mr Vincent Myeni, 031 260 2128) or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557- Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

The participation in this research is voluntary and that participants may withdraw participation at any point, and that in the event of refusal/withdrawal of participation the participants will not incur penalty or loss of treatment or other benefit to which they are normally entitled.

The circumstances that might make the researcher terminate the participant from the study can be harassment or find that the information is irrelevant to the study. There will be no costs expected for participants as a result of participation in the study. The interviewees will not be mentioned by their names; however, it will be written as interviewee or respondent in order to provide confidentiality of the informant(s).

CONSENT

I..... have been informed about the study entitled (**Assessing the use of housing as source of income in a rural settlement in KwaZulu-Natal, case of Gingindlovu location**) by (Bongiwe Felicia Gumbi).

I understand the purpose and procedures of the study.

Yes	No

I have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

Yes	No

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

Yes	No

I have been informed about any available compensation or medical treatment if injury occurs to me as a result of study-related procedures.

Yes	No

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at cellphone number: 0714089461 and email address is bongiwegumbie@gmail.com or 214559335@stu.ukzn.ac.za.

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion	YES / NO
Video-record my interview / focus group discussion	YES / NO
Use of my photographs for research purposes	YES / NO

Signature of Participant

Date

Signature of Witness
(Where applicable)

Date

Signature of Translator
(Where applicable)

Date