Negotiating for livelihoods beyond the formal Mzuzu City, Malawi, by the urban poor: Informal settlements as spaces of income generating activities

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Abstract

This article is about how the urban poor in Mzuzu City, Malawi, redefine domestic spaces in their dwellings for supporting their livelihoods. More specifically, it argues that while street vendors negotiate for the use of public spaces within the ‘formal city’ for income generating activities, the urban poor in informal settlements negotiate for use of spaces in their dwellings for generating cash income. Spaces for income generating activities are as contested as spaces for vending in the ‘formal city.’ In this context, the urban poor become creative enough to overcome equally demanding domestic functions of their dwellings. Furthermore, power imbalance is also epitomised in home based enterprises where tenants have to negotiate with their landlords for use of dwellings for generating income and accumulation of assets. However, it is not only physical spaces whose use for income generating activities is negotiable. Rather gender relations in some households are also negotiated for and contested spaces. Despite their visibility in home based enterprises, women appear to lack control over resources which they help to generate. The paper further argues that labeling livelihood strategies of the urban poor as ‘marginal,’ ‘vulnerable,’ and ‘survival enterprises’ is problematic because the urban poor are not a homogeneous group. Since their perceptions, motivations, skills and knowledge differ; their livelihoods outcomes are also likely to be different. Thus, the accumulation of income and assets should not be the only variables used for measuring the success or failure of home based enterprises because their outcomes are also heavily embedded in informal social security networks.

Keywords: Urban poor, dwellings and income generating activities, negotiate and contested.

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This paper illuminates the importance of invented spaces within informal settlements as sources of livelihoods for the urban poor. Unlike most studies in Malawi and other cities of developing countries that have popularized streets and other public spaces as sources of livelihoods of the urban poor, this study intends to address the obvious but often neglected idea that informal settlements are also public spaces that are negotiated by the urban poor in various ways so as to earn a living. In other words informal settlements have open spaces that provide a place for grassroots entrepreneurship that vividly portray the innovative and ingenuity skills of the urban poor as they struggle to survive in urban landscapes that seem to exclude and marginalise them. Most perspectives that dominate mainstream policy and academic circles today recognise the importance of the urban poor as builders of cities of the South. Ultimately, however, how the urban poor use invented spaces within dwellings in informal settlements in Mzuzu City for generation of the much needed cash income and accumulation of assets that sustain their lives has not attracted much research. In addition, studies of informal livelihoods in cities of Africa are dominated by perspectives that refer to livelihood strategies of the urban poor as ‘marginal’ and ‘survivalist enterprises’ that not only reinforces a misconstrued idea that urban informality in cities of the South is a temporal feature that would disappear in future but also obscures the potentiality of such livelihoods to achieve what is referred to as “stepping out” Dorward et al.,(2009) livelihood outcomes in which the use of current assets for income generating activities provide avenues for the acquisition of valuable assets for investment requirements and sustenance of the livelihoods of the urban poor Dorward et al.,(2009). As such, the above mentioned limitations of the current discourse of urban informality have led to approaches that give centre stage to income generating activities that take place in informal settlements. In particular, how the urban poor negotiate for both domestic and productive activities use of such spaces. Furthermore, this paper explores how the urban poor negotiate for public and private functions of spaces in dwellings for income generating activities. Thus the invented spaces within informal settlements for income generating activities are as contested and negotiated for as other public urban spaces that act as sources of income for the urban poor.
Study area and methodology

The study took place in 3 informal settlements in Mzuzu City, Malawi (see figures 1 and 2).

Figure 1 map of Malawi showing Mzuzu City.

Figure 2 shows informal settlements in Mzuzu City.

One hundred households were purposively selected and orally interviewed. Fifteen households were further subjected to in-depth interviews. Additional information was drawn from observations made by the first author in the field in Malawi in 2011. The study relies more on qualitative methods of data collection than quantitative methods because livelihood studies require households to freely express themselves about their perspectives, aspirations and motivations in their day to day livelihood strategies. Such approaches are based on the argument that unlocking the life experiences of the households is determined by the method which is used to collect data and the time the researcher spends discussing livelihood issues with households. Furthermore, the urban poor use their own logic and rationality in dealing with their day to day activities and needs, which can be easily concealed by use of quantitative methods. Data interpretation and discussion of findings took place at the same time so as to avoid repetition and also helps to identify gaps between previous and current studies. In addition, findings and discussion have been group into three themes using the following three research questions; 1. What are the characteristics of HBEAs? 2. How do poor households negotiate for the use of spaces within dwellings for the operation of home based enterprises? 3. How do we assess the success of failure of HBEAs as a livelihood strategy of the poor households?
Scarcity and innovation in informal settlements; A conceptual framework.

The ‘urban divide’ which is visible in Mzuzu City’s urban landscape demonstrates how exclusionary urban geographies which were shaped by the colonial urban policies replicate themselves in a postcolonial Malawi. For example, the current ‘urban divide’ is an antecedent of the colonial policy of segregation which was applied in most African colonial cities. “Segregation, particularly racial residential segregation was the most commonly used form of ‘power over’ in colonial Africa.” (Njoh, 2009:303). Another form of segregation was income inequality between the settlers and the indigenous people. Thus, both forms of segregation left indelible marks on the built environment in Africa (Njoh, 2009). In this regard, the ‘urban-divide’ which separates informal settlements from low density areas of Mzuzu City has created scarcity in informal settlements because such spaces are perceived by the City Assembly as illegal spaces. Scarcity is intrinsically inscribed in informal settlements as shown by acute shortage of basic resources, overcrowding, houses built of temporal materials, and unfavourable socio-economic and living conditions (Sietchiping, 2005; UNHABITAT, 2003). Urban poverty is regarded as a symptom of lack of resources and of policies that recognizes the livelihood strategies of the urban poor. It follows then that scarcity is essentially a redistributive problem, constructed by a myriad of closely related processes which are multifaceted in nature ranging from the 1980s’ structural adjustment programmes (Riley, 2012) use of obsolete planning theory and practice (Watson, 2009; Miraftab, 2009) and as a result of the current economic crisis taking place in most cities of the developing countries (Keiner et al., 2005).

Scarcity leads to marginalisation of the urban poor in almost all spheres of life. The poor urbanites are deprived of access to materials like cash income, infrastructure and intangible materials like participation in local politics which might improve their livelihoods. Scarcity, therefore, leads to marginalisation, exclusion and subordination of the interests of the poor (Riley, 2012). Furthermore, in some households it leads to a vicious circle of poverty, which is difficult to break without external intervention from the city government or the central government (Karimi&Parham, 2009). Social, economic, political and environmental scarcity in the study areas form useful lens through which processes that cause and reinforce inequalities in the city are viewed and explored, and proper corrective measures for intervention are designed and implemented.

Studies that attempt to situate informal settlements within the discourse of urban development are portrayed in dualism. On one hand informal settlements are seen as spaces of poverty (Davis, 2006). Davis (2006) portrays slum as warehouses of the rural poor who migrate
to urban areas where they are marginalised by structural adjustment and deindustrialisation. In this context, a slum is a metonym for underdevelopment, spaces for poverty that epitomise life in cities of the global South. On the other hand, slums are viewed as spaces of hope (UNHABITAT, 2003; LandMark, 2008) and spaces of accumulation of wealth by the urban poor (Bayat, 2007). Although informal settlements are perceived as spaces of poverty, marginalization and exclusion, the urban poor have manipulated such spaces into income generating activities and accumulation of assets. Thus, as a metonym of underdevelopment, informal settlements conjure up a metaphor of static spaces in which actors are passive and lack innovative ideas and skills of survival. Yet the dwellers of informal settlements in Mzuzu City use their innovative ideas so as to survive in spaces not regulated by city council officials. However, the urban poor cannot manage on their own to exit spaces of poverty “because they cannot provide their own facilities and because inadequate infrastructure itself restricts growth” (Rakodi, 2002:6). Thus, in order to find out how spaces in informal settlements support the livelihoods of poor households, this paper attempted to answer the following research questions; what are the characteristics of HBEAs? How do poor households negotiate for the use of spaces within dwellings for the operation of home based enterprises? How do we assess the success or failure of home based economic activities (HBEAs) as a livelihood strategy of the poor households? Thus, this paper attempted to unpack such questions; in particular how poor households organise and use spaces in informal settlements to suit individual motivations, needs and aspirations.

Findings and discussion.

1. Characteristics of home based enterprises.

(a) Situating home based enterprises within the discourse of urban informality.

There are many studies that show the spatiality and resurgence of HBEAs in informal settlements and how they support the livelihoods of the urban poor (Verrest, 2007; Verrest, 2011; Kellet & Tipple, 2002; Kellet & Tipple, 2011; Gough, 1996; Strassman, 1987; Sundarsh & Sinha, 2011 & Kachenje, 2005). Despite many research activities on HBEAs taking place in both developing and developed countries, there are some hidden layers of HBEAs which need to be uncovered especially in Mzuzu City where open spaces in dwellings seem to be a contested and negotiated for issue. However, first there is need to define and classify HBEAs within the informal economy. Conceptually, home based income generating activities like street vending are a subset of the urban informal economy. The only difference is the center stage where the actors
express their struggle to survive in the urban social and economic fabric. While it is not the intention of this study to compare and contrast street vending with home based income generating activities, a measure that would certainly be deemed obsolete, it is worth stating that street vending takes place in public spaces like streets, verandas and others (Jimu, 2003) but home based income generating activities take place in invented spaces within and outside the dwellings in informal settlements (Kachenje, 2005). Our main intention is to show that since HBEAs are an offshoot of informal economy, a conclusive definition of this economic activity remains a contentious issue among scholars because, “The term informal sector itself is a chameleon of a term, a genre that eludes explicit characterization” (Jimu, 2004:19) and definition. Furthermore, it is difficult to precisely locate the place of home based enterprises within the discourse of urban informality because some of economic activities classified as home based take place in private spaces like bedrooms where data collection is difficult. In this paper, home based income generating activities are defined as all income generating activities that take place indoor and outdoor of a dwelling in an informal settlement (Kachenje, 2005). The study established the following as home based income generating activities taking place in the study areas; retailing shops, shops selling food stuffs, beer halls, informal land markets, home based work, informal rentals, urban agriculture, tobacco regarding, furniture manufacturing shops, shoe repairing and tailoring. Such income generating activities are further classified into sales, commodities, services, activities with social character and activities directly related to open space (Kachenje, 2005). There is need to point out that various terms are used to describe home based enterprises. Terms such as home based income generating activities, home based micro-enterprises, home based economic activities and home based enterprises are interchangeably used in this paper because they all subscribe to the economic activities that take place in open spaces in and outside dwellings in informal settlements. What is important to point out in Mzuzu City and other cities of the global South is a dwelling is not only used for consumptive purposes, rather is has an economic function that supports the livelihoods of the urban poor (Kellet&Tipple, 2011; Kachenje, 2005).

(b) A typology of home based income generating activities in Mzuzu City.

The classification of home based activities into categories is sometimes a difficult task because there is lack of consensus on definition of home based income generating enterprises, which result in several typologies used to classify the concept of home based enterprises. However, such a classification scheme seem to be problematic when used to classify economic
activities that take place in informal settlements of Mzuzu City because informal settlements are unregulated spaces therefore it is obvious that all economic activities that take place in such spaces are deemed as informal despite the fact that formal spaces seem also to be permeated by informality. To that end, the classification of home based income generating activities into prevalence, diversity and motivations of operators is more appealing than the formal/informal classification scheme because the later is a generalised classification scheme according to broad sectors which sometimes perpetuate the prevailing stereotypes associated with economic activities that are classified as informal. Thus, the classification of home based income generating activities into prevalence, diversity and motivations of the operators is more appealing than the generalized formal/informal scheme because the former reveal the nature and dynamism of home based enterprises as an entity within economic activities that are classified as informal economy. It is through an examination of a typology of home based income generating activities that we are able to situate them within the wide spectrum of urban informality. The following are some of the social and economic characteristics of home based income generating activities taking place in informal settlements in Mzuzu City;

**Prevalence, diversity and motivation for operating the home based enterprise.**

It was difficult to estimate the prevalence of home based income generating activities in the study areas because such activities probably have not yet attracted much research. However, what was estimated was the general prevalence of the informal sector, which offers 63% of employment in the city (UNHABITAT, 2011). Thus, it could be concluded from high prevalence of informal employment that informal activities support the livelihoods of most of the urbanites in Mzuzu City. Nevertheless, it was observed that most people in low income settlements of Mzuzu City use the dwelling and spaces within it to generate income. Most urban households used their home or yard for income generating activities (Kellet & Tipple, 2011). HBEAs were a conspicuous feature of informal settlements of Mzuzu City. A diversity of home based income generating activities took place in most low income settlements in Mzuzu City. However, retail and food production were the most common home based income generating activities taking place in the study areas. Research studies which took place in Ghana, Indonesia, Bolivia, South Africa and Columbia observed that retail and food production are the most common income generating activities taking place in informal settlements (Verrest, 2007). Retail shops and food production dominate the landscape of home based enterprises because of two reasons. First, products were bought in wholesale shops and then repacked into small packets that sufficed the
daily needs of the urban poor according to their hard earned income. Second, most of the food was grown by the urban poor. We observed that 90% of the households practiced urban agriculture. Consequently some of the products which were being sold in shops were locally available. For example corn flour was made from corn which was produced in some spaces in informal settlements and rural areas. Lastly, the presence of HBEAs in informal settlements saved time and cash income because households do not travel to the Central Business District (CBD) to buy some goods.

The general consensus among the households was that running a retail shop was not a rigorous activity. The main reason was most home based income generating activities lacked rigorous management and bookkeeping (Verrest, 2007). However, the perception that retail shops do not need rigorous management and bookkeeping depended on the main motivation for operating a home based income generating activity. Households whose main aim was to generate income for further investment stated that it was difficult to run retail shops and those who operated retail shop as a means of survival did not keep records and stated that it was easy to run a home based enterprise. A study of home based enterprises in Parameto and St Spain cities, was able to differentiate households who were motivated to secure their livelihoods and those who wanted to invest more into their business and expand (Verrest, 2007). The study also established that those who wanted to make more investments into home based enterprises kept records. In this context, the perceptions households have towards the management of retail shops depend on the motivation for operating the home based enterprise.

(d) Household characteristics and home based income generating activities.

Studies that attempt to define the characteristics of home based income generating activities have emphasized much on female and male headship (Verrest, 2007). Although many studies have pointed out the ownership of home based enterprises by family members (Kachenje, 2005 and Verrest, 2007), household characteristics such as age, sex, the period of stay in the city and how they motivate the urban poor to operate a home based income generating activity seem to not have been widely researched. A few studies have examined the relationship between households' characteristics and prevalence of specific types of home based income generating activities, for example (Verrest, 2011). It appears most studies focus on ownership, organisation and the benefits which the operators enjoy in running a home based enterprise. Household characteristics like size, age of households and their period of stay in the city reveal much on the reasons why some home based enterprise have not progressed beyond the spaces of desperation.
The study showed that households with many members especially adults were more likely to operate home based enterprises than households with few members. In other words, households with a range between 3 to 5 and 9 and above members were likely to be involved in home based income generating activities than those with a range between 1 and 2 family members. It was further noted that large households operated a diversity of home based income generating activities. Diversification of home based income generating activities is not only a necessary strategy of pooling resources together, rather, it is also a mechanism of reducing vulnerability of the households to short and long term shocks that maybe caused by scarcity of some products due to the nature of their seasonality and other factors which are beyond their control like economic recession. Thus, it is a common strategy among the urban poor that more than one person contributes to the household economy. However, diversification of income generating activities does not always lead to profit making because of insufficient time and inadequate resources to make the business profitable (Farrington et al., 2002).

The study’s findings further indicated that the intensity of home based income generating activities was closely related to the period of stay in the city. Newly arrival immigrants were involved in petty trading activities. The main motivation was not to make profit but to get involved in transitional activities as they waited for other opportunities to open especially in the formal labor market. In addition, such households consisted of young people who had graduated from secondary schools and vocational colleges and had high hopes of penetrating formal job markets. In contrast, those who had stayed more than 20 years in the city were operating home based enterprises. Such people failed to penetrate the formal job market, have lost their jobs and due to bureaucratic procedures have failed to penetrate formal economy. It should be stated therefore, that when the entry into the formal economy and job market become elusive to the urban poor, sometimes housing becomes a key economic asset that supports their livelihoods.

2. Home based enterprises as negotiated for and contested spaces

Despite research focusing on the organisation, livelihoods and entrepreneurship of home based income generating activities (Verrest, 2011; Kellet & Tipple, 2000), it seems the issue of home based income generating activities as contested and negotiated for spaces remains under-theorized in urban studies especially in livelihoods studies. The reasons for the dearth of literature on this subject include the following; first, Mzuzu City has not yet engaged into an ambitious project in which there is either massive regulation or eradication of informal settlements. Since no one has compromised the livelihoods of the poor in informal settlements, issues of how
livelihoods are contested and negotiated remain invisible to researchers. Second, most studies in Malawian cities have concentrated on street vending as a contested and negotiated livelihood (Jimu, 2003; Madziakapita, 2003; Kayuni&Tambulasi, 2009) because streets as public spaces are always at the direct gaze of city officials who want to get rid of it because it is perceived as compromising the functions of the city in many ways. Lastly, some home based income generating activities take place in private spaces of the house like bedrooms therefore, it is sometimes difficult to get detailed data. Lack of interest of research on how home based income generating enterprises are contested and negotiated spaces leaves for speculation on how such issues could be ignored in the event that there is regularisation of informal settlements in Mzuzu City. It is “because of this interpretation, there has been a limited understanding of the role played by home based enterprises in informal settlements and in the national economy” (Napier&Mothwa, 2001:1).

(a) Gender relations as a contested and negotiated for space in the organisation of HBEAs.

Emerging studies have shown that women are playing prominent roles in running HBEAs and also that women’s visibility in formal work is also increasing (Verrest, 2007; Kachenje, 2005). This study established that there was a high visibility of women in HBEAs. Theoretically, the visibility the visibility of women in HBEAs implied that they control the purse’s strings. However, on the reality men had both access and control of the revenue generated through HBEAs. As such, this study argues that the asymmetrical distribution of gender roles in HBEAs was concealed by the physical visibility of women who generate such income generating activities. In fact, “Understanding the visible is hardly complete without investigating the invisible” (Mbembe, 1987 cited in Nyamjoh, 2012:4). Although women seem to dominate the operations of home based enterprises, they have to negotiate for the access of financial resources which they helped to generate. Therefore, there was a difference between managing and owning of HBEAs. Owners and operators are not the same (Verrest, 2007). Fifty percent of the households who were interviewed stated that there was a division of labour in how HBEAs were operated. Women sold goods and men restocked supplies and control the shop. The gender roles assigned to women as shopkeepers and men as managers mirror the imbalance of power relations in a household in terms of entitlement, access and control of some generated cash income. Men had an upper hand than women because “Control over resources means more than use as it implies power and control over decision-making about how and when the resources
should be used or distributed” (Farrington, et al., 2007:17). As such, this type of household organisation where division of labour is according to sex is slow to respond to new perspectives that recognise women as breadwinners (Morris, 1994 cited in Hossain, 2006).

(b) Negotiating space and time for home based income generating activities.

Negotiation for space for home based income generating activities became an insurmountable task when space was small and home generating activities did not generate more income for the incremental improvement of the house. Although some home based income generating activities operated on the smallest space; it was evident that home based income generating activities have an effect where domestic space is small (Kellet & Tipple, 2011). Most households who operated their home based enterprise on small plots complained of a conflict of interest between use of the dwelling for domestic activities and use of the same space for productive activities. Where room for physical expansion and for market use was limited, tensions between domestic demand and economic demand took place (Verrest, 2011). Households reduced tension between the domestic and economic demands of open spaces within dwellings by either constructing a temporary shelter for operating HBEAs during the dry season or put all the household items in the bedroom and created space in the living room for HBEAs. When families were starting an income generating activity they became creative enough such that their living spaces were able to accommodate home based enterprises Tannerfeldt & Ljung (2006). A research study that took place in New Delhi, India also observed that some households sacrificed their living space to accommodate activities that support their livelihoods by working in the living room and even compromising their health and safety issues (Kellet & Tipple, 2002). Where spaces for income generating activities were inadequate, temporal spaces are created by weighing the value of space for living and space for business activities and in most situations living space was sacrificed to spaces for income generating activities. This ingenuity innovation showed how space within and outside was perceived as a livelihood source and how scarcity of space motivated them to be creative enough and generate more temporal spaces within the restricted spaces in the dwellings. The creation of space for income generating activities depended on variables such as the pressing need for generating income through home based enterprises, the profitability of the economic activity and generally how the household was motivated to move out of spaces of poverty.

It appears that time and spaces are indispensable resources of individuals, households, societies and communities. To the urban poor who want to maximise income which was
generated by indoor and outdoor spaces of the dwelling, time and space were also critical resources for the growth and sustenance of home-based income generating activities. It follows then that, space and time were perceived as resources by households. It should be noted that “Just as we use space as a resource, allocating particular portions to particular uses, so we use time as resource allocating particular portions to particular uses” (Thrift, 1977:4). In order to ensure that more space was created for the generation of income through home-based enterprises, most households alternated the use of domestic and productive activities on the same space according to allocated time. Put in another way, the use of a dwelling for either domestic activities or productive activities was done by allocating time to each activity. Time made it possible for both activities to take place on the same place. Households who were motivated to move outside the vicious circle of poverty allocated more time for income generating activities than domestic activities. It should be noted therefore that households who solely depended on home-based enterprise for survival and security of their livelihoods converted time spent on domestic activities into time spent on home-based income generating activities (Kellet & Tipple, 2011). It is not far from concluding that some urban poor when pursuing their livelihood actions often sacrificed the domestic function of the dwelling. In most situations the need to survive and sustain livelihoods led to the exclusion of domestic activities that the household assumes not to be playing a major role to the security of their livelihoods. Thus, the spatiality of home-based income activities manifested itself in a negotiated space in which they have to compete with equally demanding activities. The alternation of domestic activities with productive activities by households showed that space was not a static entity but could be produced, reproduced, consumed, and manipulated by the urban poor using time as a tool of manipulation. Space has three dimensions; it is perceived, conceived, and lived (Kiddler, 2009). Space is both enabling and constraining (Gothan, 2003), therefore, the urban poor continue acting actively on it so as to reduce its constraints and increase its value as an anchorage of their livelihoods. Time was therefore used by the urban poor to generate more space in the dwelling by preventing the two activities to take place at the same time. It is worth stating that time was used to create an opportunity for the fungibility of productive and domestic activities. The urban poor manage to accommodate both working and living activities by using factors such as change in time and the flexibility of resources (Serna, 2005).
(c) Informal renting as contested and negotiated for spaces in managing HBEAs.

The study noted that 10% of the household who run HBEAs rented their dwellings. Much as issues pertaining to informal settlements such as their formation and regularisation have attracted academic rhetoric, the issue of informal renters seems not to have attracted much research. While scholarly literature on informal housing has popularized the formation of squatters, it has ignored renters (Davis, 2006). Renters are the most invisible and powerless of slum-dwellers (Davis, 2006). The study findings revealed that households who were also renting rooms or open spaces for the operation of home based enterprises were also negotiating with their landlords for either not to be evicted or their rentals should not be upwardly adjusted. Most of the households who are renting either open spaces or dwellings for operating home based income generating activities complained of irregular rental charges, threats and actual evictions without notification and property grabbing where they failed to pay rentals. High rental fees, absence of formal contracts between the landlords and tenants, lack of security of housing tenure by renters such as evictions without notice were some of the reason for the high mobility of tenants. The indiscriminate upward adjustment of rentals was cited by most tenants as one of the main reasons for not operating their home based enterprise beyond the survival level. It was further established by this study that most renters were new immigrants who were trying to come to reality with the urban economic fabric. The everyday life of informal renters who either were renting open space or a dwelling for use of income generation was shaped by fear for eviction and impromptu rental increases. The urban poor might have access to certain resources but appeared to lack entitlement and control of other resources like land and shelter. The tenant – landlord relationship has unbalanced power relations therefore negotiation for fair treatment was difficult because the terms are always stipulated by those who control resources. Lack of control over land resources predisposed the households who operated HBEAs to vulnerability and to be in a continuous state of poverty. The upward adjustment of rents increased the operational cost of HBEAs thus, predisposing them to collapse because the profits which were accumulated could not defray the incurred operational costs.

3. Explaining the success or failure of home based enterprises.

(a) Social networks and home based enterprises: What we ought to know.

Poor households in informal settlements of Mzuzu City used their own logic and rationality to keep HBEAs floating on the market. In the face of uneven urban economy, poor
households used a diversity of means of survival and betterment. One of the means of survival of poor households used to survive was to draw financial and economic support from neighbours, friends and relations. In this respect, HBEAs were embedded into the informal security mechanisms. The study established that most goods were sold on credit. Sixty five percent of households stated that they offer goods on credit. Credit was a critical issue in how operators of HBEAs cement their relationship with customers (Verrest, 2007; Bonni, 2006). While credit is a way of selling their products, it is also used as bait for attracting more customers and a way of cultivating better relations with customers who are part of the neighbourhood.

Kinship and friends were major sources of the initial financial for setting up HBEAs. Sixty nine percent of the households stated that the initial capital for setting up HBEAs came from their relations, friends and neighbours either as a gift or a soft loan. Recipients of the gifts do not need to pay back. However, if it was a soft loan, interest was not charged (Verrest, 2007) and the period of serving the loan was not specified. The good gesture which was shown by donors was reciprocated in many ways by recipients. For example, the recipients donated goods freely during funerals and sickness to friends, relatives and neighbours. Thus, the redistributive mechanisms in social networks keep HBEAs floating even during the period of economic crisis.

This study argues that using conventional methods to measure the profit of HBEAs is problematic because poor households use their own logic and rationality which are contrary to the demands of modern principles of operating a business. The operation of HBEAS was embedded in traditional social security mechanisms in which reliance on bonding social networks as a source of customers and cash income is a notable feature of the urban social landscape of Mzuzu City. It follows then that sometimes narrowly conceived profit-based measures of HBEAs are used to measure their success or failure (Bonni, 2006). Operators were not only motivated by profit making. Sometimes they were motivated by the need to build strong neighbourhood. In fact the operation of HBEAs was beyond the logic of market based economy in which economic individualism is high. Thus, the sustenance of HBEAs is better explained by the existence of traditional security mechanisms which support livelihood strategies of low-income people. While profit making might sustain the growth of HBEAs, informal security systems reinforced their resilience especially in times of economic crisis.
(b) Home based income generating activities and livelihoods: Assessing the livelihoods outcomes of the urban poor beyond the income poverty.

This study has established that HBEAs support the livelihood activities of poor households in Mzuzu City. Therefore, the study attempted to determine the livelihood outcomes of HBEAs. In order to capture the livelihood outcomes of poor households beyond the poverty line, households who operate HBEAs were classified into three groups. In this context, households were classified into three groups namely: permanent circle of poverty, vicious circle of impoverishment and those in a virtuous circle of improving livelihoods and investment (Farrington et al., 2002). The classification of households into three groups was based on the understanding that poverty is a multidimensional concept and the urban poor are a heterogeneous group with different skills, motivations and perceptions towards running HBEAs. The study defined households who were stuck in a permanent circle of poverty as poor households who suffer from various types of deprivation. Deprivation is defined as a condition that occurs when people are unable to achieve a certain level of functionary capability (Verest, 2007). This study established that such people lacked access and control of resources. Households in this group are operating HBEAs like selling charcoal in small packets, roasting green maize and shoe repairing. Such HBEAs required small initial capital; therefore, the turnover was also very small. In this respect households did not accumulate assets such as land and permanent houses. The income raised could not satisfy the day to day needs of the households. They draw the support of their daily needs from bonding social networks.

Households who are in a group classified as vicious cycle of impoverishment depended on home income generating activities for survival. However, the revenue which they generated from operating a home based income generating income was not enough for further investments. Despite the drawback of operating a home based enterprise such as high rentals they continued depending on it because part of the food they were selling was consumed by the family. In addition, the household main motivation for running the home based enterprise was to secure their livelihoods. A study of the relationship between home based economic activities and urban livelihoods in cities of Paramaribo and Port of Spain was able to differentiate households who had a livelihood orientation from those who had a business orientation (Verrest, 2007). This study concluded that households with a livelihood orientation were not able to move beyond the survival level. In fact households in this group used HBEAs as both a copying and survival strategy. Thus, our findings concur with the study that took place in Paramaribo and Port of
Spain that some urban poor were only motivated to maintain the current livelihoods which supported their survival.

The study further established that households who were categorized as in a state of virtuous cycle of improving livelihoods and investment were motivated to move from spaces of poverty to spaces of wealth accumulation by further investment of the revenue collected from home based income generating activities. They created more space for the expansion of home based enterprises through incremental building of their houses. In addition, they used the income generated from through HBEAs to acquire more land and houses. As such, some home based enterprise operators wanted to run their own businesses, to be self reliant and perceive entrepreneurship as a way of moving out of the vicious cycle of poverty (Verrest, 2007).

From the three groups of poor households, it is problematic to classify them using the poverty line. The classical definition of poverty line as argued by Owuor (2006) is unreliable tool of measuring poverty because it is based on the poverty line that might be lower than the costs of necessities in many cities. In addition, the classical definition of poverty assumes that the urban poor are a homogeneous group that suffers from poverty of income. It follows then those efforts by the urban poor to accumulate cash income and assets are viewed as ‘survival enterprises’ that are vulnerable to collapse because the motive of the urban poor is assumed to be only to survive. Such approaches to home based enterprises not only conceal the non material benefits that the households who operate HBEAs enjoy. Rather they fail to recognise that the urban poor have different motivations for running HBEAs (Gatoma, 2012; Verrest, 2007). Thus, a multidimensional definition of poverty recognises that there are many proxies that are used for measuring poverty and that accumulation of income by the urban poor is not an adequate measure of failure or success of HBEAs. None income proxies such as a daily supply of food and cultivating better relations with neighbours and friends motivated some poor households to operate HBEAs.

Conclusion

This paper has shown that like street vending, the discourse of HBEAs is a negotiated and contested space. Poor households who operate HBEAs struggle to create more space for the operation of HBEAs. It was not easy for households to strike a balance between the consumptive and productive spaces of a dwelling. However, poor households use their creative skills to create a balance between spaces of domestic use and spaces of income generating activities within their dwellings. In addition, the discourse of HBEAs is also a contested issue at household level. Some
households reflected the binary treatment of a household where spaces of production are controlled by men and spaces of reproduction are dominated by women. Thus, despite the visibility of women in HBEAs, men control resources generated by women who run HBEAs. The discourse of HBEAs has revealed that a household is not a conventional unit; men have more access and control over household resources than women. As such, the discourse of HBEAs provides social lens for examining how power imbalances creates spaces of marginalization and exclusion at household level. Lastly, the urban poor use their own logic and rationality in their day to day life which are different from the demands of modern societies (Lourenco-Lindell, 2001). It is problematic to measure the success or failure of HBEAs using poverty lines because the livelihood outcomes of the urban poor are broad and also vary according to the motivations of the urban poor to run HBEAs. While some use HBEAs to fulfill their daily needs, others have managed to accumulate assets such as land and housing. Thus the use of income as a measure of the livelihood outcomes of the operators of HBEAs does not only underestimates and misrepresents the multidimensional nature of poverty (Rakodi, 2002) but also assumes that the urban poor are a passive group and not creative enough to make use of resources available in informal settlements. Yet emerging studies argue that the urban poor are passive objects but are active actors who are the builders of African cities (Kamete, 2002). Furthermore, the study has established that operation of HBEAs by poor households was embedded into the discourse of social capital in which social networks were part and parcel of the activities that sustained such enterprises. While social networks sustained the growth and resilience of HBEAs by providing initial capital and customers, HBEAs are part of the redistributive transfer mechanisms that supported the continued existence of informal security systems.

References


