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HOME-BASED ENTERPRISES AS SITUATED PRACTICES; EXPERIENCES IN PARAMARIBO, SURINAM

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Introduction

Working from the home¹ is a widespread phenomenon in cities in the South, especially in low-income districts. In this paper home-based economic activities (HBEAs) will be studied from a livelihoods perspective because a holistic approach towards their functioning is warranted. Although attempts to study economic activities in and around the house from a wider socio-economic angle have been undertaken before (see below), the livelihoods approach has the advantage of combining various concerns. It pays attention to both micro and meso level processes e.g. inside and outside of the household that condition the way households deploy their resources in pursuit of their livelihoods. With respect to HBEAs important social mechanisms include internal household arrangements, social networks within and beyond the neighbourhood, government rules and regulations, and business patterns (supply, marketing, credit).

Glenda operates a crèche in a small wooden room next to her house. She runs the day-care centre together with her retired common-law husband. In the afternoon, when Glenda works on her other (government) job as a school cleaner, the husband takes care of the crèche supported by Glenda's daughter. Also when Glenda is ill, they keep the crèche running. However, Glenda is the manager and owner of the facility and takes all important decisions. Some time ago a neighbour of Glenda managed a crèche. When she decided to quit Glenda was asked to take over. But Glenda did not have a suitable facility on her premises nor the means to build it. In the end her sister was willing to lend her the money while some of her friends assisted her in building the crèche. Throughout the year Glenda puts aside money in a so-called "kasmoni" (saving group) to allow her to do the necessary repairs to the crèche. When she needs any appliances or materials she prefers using the hire-purchase arrangements that many department stores in Paramaribo provide to their customers. The crèche caters for the needs of low-income households in the community. The fees are based on what Glenda thinks the mother can afford to pay. Many of her clients, however, come up with all kind of stories and excuses to explain why they are unable to pay. Therefore, Glenda's income is rather erratic. Her crèche is not troubled much by competition from the nearby facility of the 7th day Adventist church because she is cheaper and more flexible in payment and opening hours. But recently another lady entered the business and she is offering similar advantages to her clients.

Glenda has not officially registered her crèche. She feels it is not necessary to do so because it is only a "minor thing" she is doing. The crèche is one among seven activities taken up by her household to eke out a living. Besides, Glenda thinks that when she would register tax-officers would come after her and "take the little money" she earns. The informality of her crèche is preventing her from putting up a sign on the house and from otherwise making publicity. Although she entirely depends on mouth-to-mouth advertisement for attracting clients she does not think that is negatively affecting her business. The most important threat for the activity, according to Glenda, has to do with the tenure situation. She owns the land and the house together with brothers and sisters. When they would want to sell the property it would be hard for her to resist. Glenda does not have the money to buy all of them out, nor does she have the opportunity to that amount of money anywhere. This is a major reason for her not to invest in the development of the HBEA.

¹ In this paper the home consists of the house and the premise and includes infrastructural services. It can also be referred to as "habitat".

The actual business behaviour of the HBEA-operators will be taken as starting point. It is assumed that this behaviour reflects the multitude of concerns these entrepreneurs need to balance in their everyday life and work. Data were collected in a study that was conducted in two low-income and ethnically mixed neighbourhoods in Paramaribo, Suriname². One of the selected neighbourhoods was located close to the city centre (*Krepi*) and one more towards the city fringe (*Nieuwweergevondenweg*; a former agricultural area largely inhabited by rural migrants).

In each of these communities a survey was carried out among 100 households in Nieuwweergevondenweg and 89 in Krepi to collect data on household composition, characteristics of the habitat, livelihood strategies and home based economic activities. In addition 33 open interviews were held with members of households that operated a HBEA, had done so in the past or were planning to do so in the near future. During these interviews the business history was discussed, as well as the role of various institutions and organisations, and the importance of HBEAs in people's livelihoods. In addition representatives from several key institutions and organisations were interviewed, and four focus groups meetings were organised to discuss issues of well-being and social and economic relations within the neighbourhood.

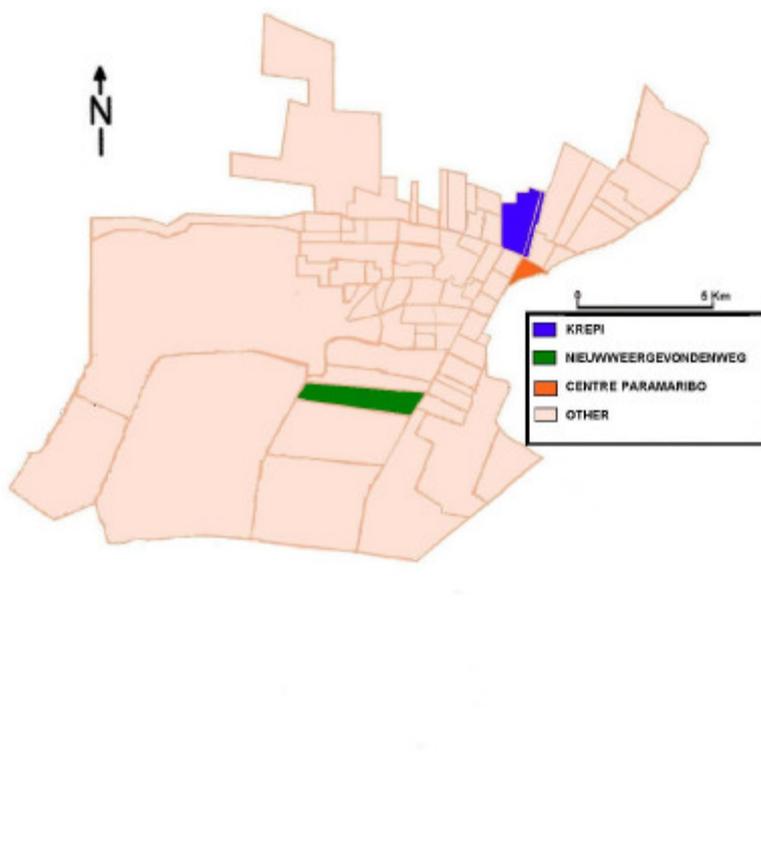
The house as a workplace

The scholarly attention to HBEA originates in the informal sector debate as well as the housing literature in cities in the South. However, it was not immediately recognized as an important topic. In the 1970s and early 1980s the bulk of attention within the first debate went to the investigation of structural relationships between (and within) the formal and informal sector (e.g. Bromley, 1979). At the same time the housing literature was heavily biased towards tenure (in) security, and opportunities for (self-aided) improvement of houses and services. Strassmann (1986) and Gilbert (1988) were among the first to try and seek a link between the study of "work" and that of "housing". They helped to establish a new line of inquiry on the complicated interaction between dwelling, household and income.

An appropriate conceptualisation of the dwelling acknowledges the multiplicity of functions it supports. It is not merely a place of shelter, but simultaneously a production place, retail outlet, entertainment centre and financial institution. The household occupying the house controls a set of resources – labour, money, time, space – that can be allocated to a range of uses at minimal costs and inconvenience (Kellet and Tipple, 2000: 205). A major characteristic of the home as workplace is its flexibility, that is its ability to serve a range of purposes that can vary during the day, per day and per season. Furthermore, a realistic understanding of the home acknowledges that the house is more than the sum of the activities it comprises. It is also a centre of human interaction and as a source of identity (ibid: 210). Therefore, studies on the home as workplace usually discuss ways in which social conventions (gender roles, class distinctions, neighbourhood relations etc.) circumscribe if and how the house is used for economic purposes.

² The study is part of a larger research project that examines prevalence, importance and organisation of Home Based Economic Activities (HBEAs) in Paramaribo (Suriname) and Port of Spain (Trinidad & Tobago).

Figure 1: location of Krepi and Nieuwweergevondenweg in Paramaribo



For the sake of this paper two distinct contributions to the debate on HBEAs will be mentioned briefly because they help to put the results of our own study into perspective: the importance of space and the question of informality. With regard to the spatial dimension of HBEA the concern is with the internal organisation of space (and the factors that determine this organisation; Tipple, 1993), and with the way HBEAs are integrated in the urban fabric. The suitability of dwellings as workplaces obviously depends on the specific context. In the highly cramped domestic spaces of slums in many Asian cities a high level of ingenuity and improvisation is required to allow the house to be used for working purposes (Bose, 1999; Kellet and Tipple, 2000; Mahmud, 2003), while in the more spacious dwellings and compounds in most African cities it is far easier to combine different uses (Post, 1996; Sinai, 1998; Cough, 2000). A common problem, however, is that planning policies, land use regulations and building codes are premised on a strict separation of the domestic and the economic sphere. Consequently, settlement layouts, plot sizes and house designs are not really geared to the idea of accommodating economic activities (Werna, 2001).

HBEAs are also positioned in urban space. In accordance with our focus on “business” behaviour we will not deal with aggregate, city-wide patterns (for an overview see: Dierwechter, 2002), but rather confine ourselves to the spatial and economic logic of HBEA operators (Van Dijk, 1983; Post 1992 and 1995). Several factors determine the locational behaviour of those that are running HBEAs, albeit that the importance varies per person and activity: low costs of work space, immediate access to essential services on the premise (notably water and electricity), security of tenure (stimulating investments), better opportunities to escape official regulations and fees, especially in outlying and/or “illegal” settlements, and catering for the (residual) needs of local residents. Of critical importance to

female entrepreneurs is the ability to combine productive and reproductive tasks. However, despite the positive aspects of the home location one should also bear in mind that there is often a chronic shortage of viable alternatives elsewhere (sufficiently equipped markets at affordable rents; light industrial areas accessible to micro enterprises and limited access to secure jobs on the labour market). Furthermore, HBEAs also suffer from various locational drawbacks, especially lack of access to more affluent urban markets (city centres; major shopping avenues, residential areas with high purchasing power) and higher transportation costs. In this paper, these aforementioned qualities and shortcomings of the house as a workplace will be checked against the empirical evidence in Paramaribo.

HBEAs are commonly seen as part of the urban informal sector³. Although the formal-informal divide remains contested most writers tend to link informality primarily to the role of the state. In principle economic activities are subject to various forms of government regulation (licences, taxes, labour laws). Informality denotes a situation where operators of economic activities contravene these regulations one way or another. The rationale for this avoidance behaviour is that the rules pose unacceptable constraints (threatening livelihoods) and/or that the power of the state to sanction offenders, and of the market to correct imperfections, is simply insufficient. The key question is whether informality poses problems to the entrepreneur or society or both. Recently De Soto (2000), following on to his earlier work (De Soto, 1989), posited that informality – although he prefers to speak about extra legality - is the single most important reason for the failure of capitalism in the developing world context. It effectively blocks the accumulation of capital, which is the motor of economic development, because people’s “...assets cannot readily be turned into capital, cannot be traded outside narrow local circles where people know and trust each other, cannot be used as collateral for a loan, and cannot be used as a share against an investment” (De Soto, 2000: 6).

De Soto’s claim is relevant to our discussion because of the assumed beneficial impact of legal property titles and formalization of business operations on HBEA performance. In the literature there are already indications that it is not as simple as that. Gilbert (2002) for example, does not see much evidence of a healthy housing market developing or formal credit becoming more readily available in the wake of legalisation. Furthermore, it is the ability to repay rather than having an appropriate collateral that matters most (Payne, 2001, 422). Regularisation of land tenure may have serious negative consequences including the proliferation of informal sector subdivisions (due to the high return on investment that can be reaped after legalisation), the danger of enhanced competition in sub-markets that were relatively secure and accessible (the so-called “downward raiding” process), and higher levels of litigation between residents and outside claimants (ibid; 423). The net effect would be that poor families see their access to the land and housing market being reduced, and, consequently, that the expected positive spin-offs on HBEAs would not materialize. Transforming HBEAs in officially recognised business units, furthermore, may perhaps strengthen their growth potential, but also remove much of the competitive edge towards the formal sector and probably only serve the better-off informal operators (cf Jones and Ward, 1994). Besides, the question of informality cannot only be dealt with from the perspective of economic growth. In the subsequent section, therefore, the discussion on HBEAs will be put in a livelihoods framework that provides better clues for understanding the ups and downs of

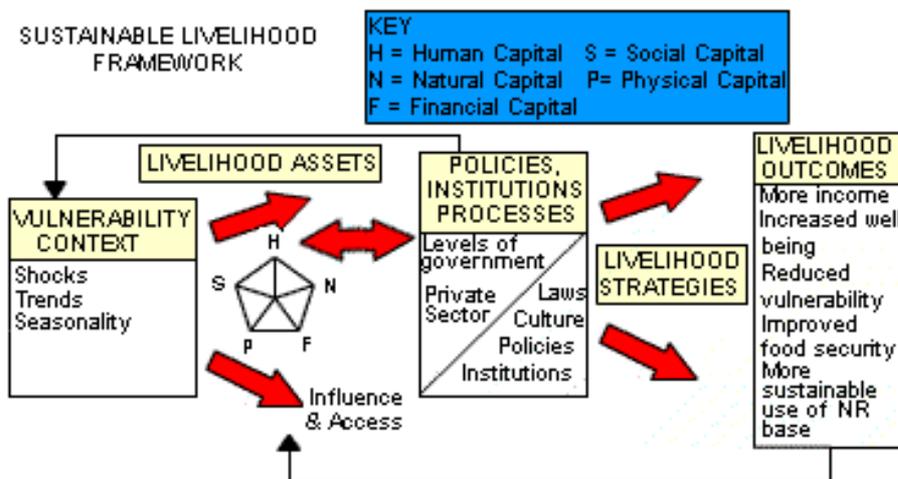
³ In Suriname, these days the term “informal sector” is often used in reference to the illegal/criminal sections of the economy, e.g. drugs- en money laundering activities. We would like to stress that here we refer to the not-formalised sections of the economy

these businesses, as well as the pros and cons of informality for the entrepreneurs concerned in the specific setting of Paramaribo.

A livelihoods framework

Over the last decade the livelihoods approach has established its reputation as one of the leading bodies of knowledge on poverty. It is a people-centred approach stressing the diversity of poverty situations and the multidimensional character of the poverty problem (Chambers, 1999.). A livelihood can be defined as comprising “the capabilities, assets (including both material and social resources) and activities required for a means of living” (Carney, 1998:4). The livelihoods approach is primarily an analytical tool helping to dissect the complexity of livelihoods. The framework consists of four basic components: (a) the livelihood assets that people draw upon to make a living; (b) the vulnerability context that refers to the long term stresses and short term shocks that affect people’s options and puts their resilience to accommodate these threats to the test; (c) the institutions that structure people’s access to and control over assets together with the transformations that may result from people’s individual or collective agency; and (d) the livelihoods strategies people adopt and their outcomes (Rakodi, 2002).

Assuming that the livelihoods debate is sufficiently familiar to the readers of this paper, we will immediately progress to the way it has been used here. We draw upon Caroline Moser’s pioneering work on the asset/vulnerability complex in the urban setting, and on her recognition of habitat as a major productive asset for the urban poor. She demonstrates that urban households manage their asset portfolio in various ways to reduce vulnerability and enhance well-being. They can try to maximize the number of earners, improve the quality of labour through appropriate education and health care, take advantage of their productive assets such as housing, foster friendly and cooperative household relations, and promote reciprocal support networks within their communities (Moser, 1998). Obviously, people’s ability to positively shape their livelihoods does not only depend on their own capacities (agency), but also on the social, political and economic structures in which their life and work are embedded. A major improvement of the livelihoods approach is that its strong actor orientation has meanwhile been supplemented by a growing concern for structural constraints (De Haan and Zoomers, 2003; Kaag, 2004). The resource claims and management practices of households and household members are mediated by institutions, which can very broadly be described as regularised patterns of behaviour between individuals and groups in society. Institutions may be both formal and informal, e.i. those that are conditioned by the rule of law and those that are based on established social practices (cf. Leach, Means and Scoones, 1999). Furthermore, institutions, are not set in stone and may evolve or dissolve in response to changing circumstances. In the figure below this dynamism is expressed by referring to policies and processes. Change may be orchestrated from above – with respect to our subject this could mean a new tax regime, micro-credit scheme or tenure security policy - or come about through people’s agency – with respect to HBEA one could think of new avenues of funding or the establishment of a community self-help group. When these elements are translated into a framework for studying HBEAs, the result is as follows.



source: DFID sustainable livelihoods guidance sheets at http://www.livelihoods.org/info/info_guidancesheets.html

In this paper the focus is on the micro and meso level of analysis, which implies that external developments that affect the overall economy or the political system are not included. Furthermore, the study is narrowed down to elements that HBEA operators themselves, during a round of open interviews, identified as crucial in explaining the ups and downs of their activity. The most important assets that are deployed in running a HBEA (labour; finance; house spaces; social resources) will be discussed, as well as the institutional mechanisms that affect access to and use of these assets. Particular attention will be given to the spatial dimension of HBEA-operation, the linkages between HBEAs and the outside world, and the impact of the regulatory framework concerning licenses, tenure and credit.

The study area

Suriname is situated in the Caribbean on the North-East coast of South America. More than half of its 480.000 inhabitants live in the capital and its immediate surroundings (*Greater Paramaribo*). The country became independent from The Netherlands in 1975 but ties with the latter remain strong both at the micro level of households and at the macro level of states. Suriname's economy has experienced a severe economic crisis over the past two decades and has only recently been showing signs of improvement. The government is the main employer. According to estimates from, approximately 60% of the population is living below the poverty-line (UNDP, 2002). Several studies on livelihoods in Suriname show that household develop multiple livelihood strategies in order to make ends meet (see for example Kromhout, 2000). To sustain their income, most people take on sideline jobs, either as employees or as self-employed workers. Close contacts are maintained with relatives abroad, partly while this ensures a desperately needed flow of remittances. Furthermore, many households engage in food production in order to reduce their spending. Finally, dividing housing costs among a steadily growing number of occupants (residential densification) is also a common livelihoods strategy.

Figure 2: Suriname



source: www.suriname.nu

Paramaribo has a very spacious layout. High-rise buildings are few and largely concentrated in the inner-city area. Most residential quarters are made up of single houses on individual plots. Both in Surinam as a whole and in Paramaribo itself almost all land has legal title. In the capital only 23% of the households either lease or rent the land they live on, albeit that most of them have legal documents. Therefore, tenure insecurity is hardly an issue in the country. However, a considerable number of households in our study (about 20%) live on inherited land. When a person dies, the land title is automatically transferred to his/her heirs and thereafter to theirs, unless otherwise arranged in a will. This leads to very complex situations in terms of land ownership and reduces the possibility of using land as collateral. Squatting on vacant land has never been a big problem in Suriname. There is a high demand for housing at the moment leading to serious overcrowding and comparatively high rents.

The nature of HBEAs

In the subsequent table the various types of HBEAs are shown. 37% of households in the two researched areas are engaged home-based, income-generating activities. These include agricultural activities, breeding of chickens or ducks, renting out rooms, home-based production activities, retailing or provision of services (see table 1). Another 21% performs (agricultural) activities at home that produce goods for home consumption. It should be noted that women dominate as HBEA-operators (70%)- excluding agricultural activities). With the exception of car mechanics, repair of electrical appliances and crafts, which are male dominated and cultivation of vegetables, which is evenly spread over men and women (or carried out by both)-, the majority of producers in each sector is female. Women make up over 77 per cent of producers of goods, 68 per cent of people involved in sales (this figure excludes those women that work together with a men in sales) and 37 per cent of the service providers. These findings correlate with the literature that argues that especially for women who need to balance their time in order to combine productive and reproductive tasks, home-based activities provide good options. However, it should be stressed that lack of access to regular employment in general and more specifically to jobs that bring in sufficient income to cater for transport and childcare facilities, and with working hours suitable for combining productive and reproductive tasks were just as important reasons for their larger involvement

in productive home-based activities. Women explained that their lack of other labour options in combination with the need to make an extra income as reason for their involvement in HBEAs. Finally, traditional female skills (cooking, child care, sewing) link up with the skills required for these HBEAs.

Table 1: households engaged in HBEAs according to type of activity in abs. Numbers and %

	Surinamese households involved in activity
Cultivation of fruits (such as mango, cherry, banana), vegetables (such as leafy vegetables, tomato, cassava, pepper, fresh herbs)	50 (26,5%, of which 94% only for consumption)
Minding of fowl (chicken, ducks and goose)	45 (23.8%, of which 89% only for home-consumption)
Renting out of space (a room or floor in house or extra house on plot)	7 (3,7%)
Production of goods (of food, garment, crafts)	35 (18,6%)
Sales (of self-prepared food, groceries, snack and drinks, clothes, agricultural products)	32 (17,2%)
Sale of services (hairdressing/barbering, repair of electrical appliances, car mechanics, childcare, taxi stand, management agency, teaching, craft)	24 (12,7%)

Due to differences in the design of studies it is hard to compare the prevalence of HBEA in our study with findings elsewhere. However, they do correspond with the general impression that such activities are ubiquitous in low-income settlements (cf. Gilbert, 1988; Sinai, 1998; Onyebueke, 2001). In many cities, and Paramaribo is no exception to this rule, part of the explanation is that spatial planning is a much neglected domain. Over the last few decades no new areas have been zoned in Paramaribo for the development of markets or light-industrial areas, nor have any measures been taken by the authorities to steer the spatial-economic development of the capital in a particular direction. Consequently, many businesses have sprung up spontaneously across the city, notably in residential areas. Although these mixed residential-commercial areas do not always provide the best in terms of physical infrastructure and utilities, they nevertheless prove to be well-attuned to the needs of many small and especially micro business operators.

The lack of official sites for small and medium-sized businesses, however, is certainly not the only reason for explaining the high incidence of HBEAs in Paramaribo. The gist of this paper is that HBEAs must be seen against the backdrop of people's livelihoods situation. Stated differently, most HBEA-operators do not nicely fit the image of a calculating entrepreneur carefully balancing costs and benefits (including those of location). A few findings from the analysis of assets mobilized by households for HBEAs can help both to underscore this assertion and to get a better idea about the sort of ventures we are talking about.

The role of human, financial and social assets

Human assets

For properly running a business it is usually assumed that owners/operators require business management skills (bookkeeping, marketing, product pricing etc.). Most HBEA-owners have not learned such skills through formal education but acquired them through a learning-by-doing process. This leads to a considerable amount of improvisation. Proper bookkeeping is

the exception rather than the rule. It is very rare, for example, to find a HBEA-operator taking provisions for depreciation of assets or future investments. Technical skills are also deemed necessary for small operators who usually combine managerial and productive work. Our in-depth interviews showed that these technical abilities are largely acquired in an informal manner. Things such as food preparation, hair braiding and sewing are usually learned from mothers or other close relatives. Self-employed retailers usually learn the tricks from more experienced family members or friends. Such informal types of learning attest to the importance of social bonds in enabling people to take up a HBEA. Skills for more sophisticated professions, such as jewellery making and car repair, are obtained through on-the-job training. A major consequence of this type of informal training is that the goods and services produced, although satisfying a particular local demand, often do not match the quality criteria and official requirements that would allow HBEA-operators to move into more prosperous markets. Obviously, this limits the growth potential of these activities.

Another reason that casts doubt on the appropriateness of a purely businesslike approach to the functioning of HBEA-operators is the way many of them deal with the labour input. Labour is undoubtedly the number one asset for most HBEAs. Nevertheless, it is seldom appropriately valued. In many cases it is difficult to precisely quantify the amount of the time and effort put into the activity. Most retailing, for example, takes place alongside other paid or non-paid activities at home. Opening hours may be very long, but the actual workload entailed is far less. At the same time the labour input of people producing on order (such as cake makers or tailors) often fluctuates considerably depending on the actual amount of work commissioned to them. Sometimes, labour costs are entirely implicit. When selling home-made products such as ice creams or snacks, for example, the labour fee is simply the closing item in the economic equation, i.e. coincides exactly with the “profit” made and is thus not seen as a cost of production.

HBEAs rely on skills and labour time from various people, the majority of them household members. Most of the time it is clear to everybody who is the ‘manager’ or ‘the boss’ of the HBEA, usually the person who has started the HBEA or who brings in the required technical skills. This person usually also brings in most labour and is financially in control. Except for three cases we found that HBEA-operators were in control of the finances generated. The gender of the operators does not affect this. In two of the exceptions the HBEA was a family business providing the only source of income for the household. Financial management was done by one of the partners (the woman in one case and the man in the other) and the actual work by the other (a man and woman again). Household members may assist in selling products, the financial management or provide transport to the market or wholesalers. This labour is unpaid. The assistance of household members is highly valued by the HBEA-operators as a means to be able to run the business at low-costs or provide the opportunities for combining productive and reproductive tasks. As Table 2 shows “personal problems” were among the most important reasons why people did not operate HBEAs or had terminated their activity. This usually implied that there were not enough people in the household (willing) to keep the HBEA going or that a person with specific skills had left.

Table 2: Reasons for households not to develop production, sale or retail oriented HBEAs

	Production	Sales/Retail	Services
Not interested	21,6%	28,1%	30,6%
No time	27,3%	27,0%	56,4%
Habitat not suitable	4,5%	2,2%	2,0%
Lack of tools/capital	10,2%	6,7%	2,0%
Personal problems	15,9%	12,4%	12,2%
Market related problems	17%	16,9%	4,1%
Institutional problems	2,3%	3,4%	2,0%
In preparation	1,1%	0,5%	2,0%
Other	0	1,1%	2,0%
Total	N=88	N=89	N=49
No Answer/ not applicable	N=101	N=100	N=140

The variety of products and services offered by HBEAs is fairly limited. Several reasons account for this. Many activities only service a small and highly localized market that does not allow for diversification beyond major necessities. Furthermore, the selected neighbourhoods are classified as low-income which implies that overall purchasing power is restricted. Secondly, the aforementioned paucity of managerial and specialist skills among the HBEA-operators prevents them to innovate and diversify. In fact, there is a tendency among the people involved in these activities to copy the concepts of successful businesses in their neighbourhood without exploring more rewarding options. Finally, the lack of investment opportunities is a major handicap.

Financial assets

Access to credit, investment capital and savings are usually seen as one of the most crucial assets for entrepreneurs. In Suriname, access to formal credit and saving institutions has been very limited for a long time. The extensive period of economic crisis and monetary instability resulted in very restrictive borrowing policies by the financial institutions against very high interest rates, limiting access to credit to a small group of the population. At the same time, high inflation rates made saving money in local currency a risky business. During that time, saving was preferably done through investment in inflation-proof items such as jewellery, appliances and foreign currency (US dollars, Dutch Guilders and from 2002 Euros).

Since monetary stability was re-established early 2004, interest rates and policies on borrowing relaxed slightly and saving conditions improved. Access to business capital, however, continues to be limited to larger businesses, and more specifically to businesses involved in trade and not so much production. The two credit unions in Suriname (“Godo” and “De Schakel”) currently provide better access to loans in terms of collateral (this means that savings, saving patterns and guarantors are accepted as security for loans as well) but their interest rates remain high. Each of these institutions has a special fund for micro-entrepreneurs, but these so far only serviced a small group. Against this background it comes as no surprise that conventional financial institutions play a minor role in provision of financial services to HBEA-operators. Only few - About 10% of the HBEA-operators that were interviewed in-depth - had a loan with an official bank or credit-union. Except for one, they took out personal loans to finance their HBEA related activities. One used it to set up a supermarket, while two others furnished a workplace for food production.

In addition to lending from formal financial institutions we have also looked at the use of hire purchase arrangements. Contrary to the situation in, for example, Trinidad where interest rates

on hire purchase are very high⁴ and the service is *the* profit maker to the large department stores, this financial service has become quite popular in Suriname. Here, department stores, employers (notably the government as the largest employer) and banks made an agreement during the economic crisis to provide durables and luxury goods to employees on the basis of the hire-purchase system. Monthly payments were automatically deducted from salaries, and the banks financed the loans⁵. Interest rates were only 1% on a monthly basis, which is considerably lower than the interest rates banks charge. Nowadays hire-purchase facilities have been expanded to workers whose employer has no such arrangement and even to people working in the informal sector. About 15% of the HBEAs interviewed in-depthly used these to obtain appliances (such as gas cookers and freezers) for their HBEAs.

This new institutional arrangement open to small, informal entrepreneurs deserves to be elaborated a bit since it links financial to social capital. For this group, hire-purchase is provided through a broker. This person (usually a woman) has an arrangement with the department store. She acts as a guarantee and is responsible for payment of the monthly instalments. When the client has paid off the entire amount due, the broker receives a commission from the department store⁶. Clients are recruited through the intermediary's social network and on the basis of reliable references. The broker tries to establish a persons' creditworthiness by looking at things such as having a regular job and showing respectable behaviour, i.e. the same criteria that are used in assessing whether people are eligible to join a rotating savings group.

HBEA operators used informal credit arrangements more often. This is where the importance of social capital surfaces once more. Family, especially those living in The Netherlands, played an important role. About 40% of the respondents used credit (18%) or gifts (22%) provided by family members, while another 10% had borrowed money from an acquaintance. Reasons that were mentioned include lack of access to credit with banks or credit unions and high interest rates of bank loans.

Investment behaviour of HBEA operators is also worth discussing. For a sizeable group (close to 54%) of the interviewed HBEA-operators initial investments in their HBEAs were less than US\$ 100. They either used personal savings, gifts or small loans to get started. While part of these micro-operators seek to build up their HBEAs slowly using personal savings, money coming from a *kasmoni*), profits or gifts from abroad (for instance a sewing machine), others simply stay put either voluntarily or forcibly. It can be a deliberate choice to keep their HBEA small (for instance popsicle-sellers) in order to be able to combine it with other activities inside or outside the house. On the other hand HBEA operators may also feel the investments needed to improve their economic performance are beyond what they can afford or are willing to borrow. The majority of this group of 'small investors' indicated that they were reluctant

⁴ Interest rate are 20-25% on a yearly basis. Some department stores add this value to the "hire-purchase price" which can already be 25% higher than the "cash price".

⁵ Hire purchase arrangements between the department stores and the CLO (union of government workers) have been existing since long before the economic crisis as a means to prevent continuous demands for salary-increase and high inflation rates as a result. During the economic crisis, department stores lost the ability to finance these arrangements. The banks agreed on financing these loans but only on short-terms basis. Every month a new contract was signed between CLO and the bank. Without hire-purchase arrangements the loan-capacity of this group of employees (notably half of the labour population!) would be very limited. At the same time, the expected reduction in demands for increase of salaries as a result of these hire-purchase agreements would contribute to the economic stability.

⁶ Department stores were not very eager to share information about the arrangements they had made, mostly because they were afraid it would weaken their share of the market. We managed to speak to one department store and one broker working for another department store. The broker received a commission of 10%.

to lend for several reasons. A major reason was the fear of not being able to repay the loans because either the business would not be able to generate enough income or because other sources of income were too insecure. Under such conditions people tend to adopt a risk avoidance attitude. Popular ways of ensuring security of income are to have at least one permanent job with a fixed salary, preferably with the government (related to the fringe benefits involved), and a preference for having multiple activities each providing a meagre income rather than having just one potentially more rewarding business. Similarly they avoid unnecessary loans, at least when it comes to investments that may jeopardize their livelihoods. Although this is certainly not a new observation (cf Post, 1996) it does distinguish most HBEA operators from the classical “entrepreneur” who is willing to take financial risks in order to grow and expand. The findings of table 1 further confirm this notion as a lack of tools and capital is a reason of minor importance not to start an HBEA. For low-income households a HBEA is primarily a means to better secure their livelihoods. The above also shows that HBEAs are not only in terms of labour and space intertwined with household but also financially.

Notably women were even more reluctant than men to borrow money. They would prefer to use their personal savings or *kasmoni* as investment. If they would take out a loan it was more often through informal channels. Only one woman took out a loan from a credit union (from a fund aiming at providing micro-credit to female micro-entrepreneurs), the others were men or a joint loan application by two partners. Women’s access to loans from a bank is slightly more restricted than men’s, mostly because they had less collateral and their monthly incomes, thus repayment capacities were lower. However, women have a good reputation as borrowers and savers creating good access to alternative formal and informal credit and saving institutions. As said before, women were more reluctant than men to take loans. Since women are more often in charge than men and responsible for daily affairs and provision of daily needs within the household, the fears for borrowing as described above are felt more strongly by them.

The discussion on investment behaviour of HBEA-operators further explains why HBEAs are often relatively small activities and not aiming fast growth but more at securing livelihood. The fact that most HBEAs are have not been formalised is related to this. Because HBEA-operators do not aim at expanding business and opening up new markets their incentives to formalise (for instance to be able to market products) are very limited. At the same time they feel they fear that formalisation may jeopardize their business because of increased costs and possible closure when standards are not met.

Social Assets

In the above discussion the role of social capital for HBEA-operators has already surfaced several times, albeit largely in terms of support by household members and kin (cf. the dependence on unpaid family workers to keep the business running; skills training by relatives; family members providing investment capital). Social relations at neighbourhood level, however, are also of vital importance to HBEA-operators. First of all, the local community is the single most important market for HBEA-operators. Although the outsider would perhaps consider the market potential for this type of HBEAs severely constrained – due to poverty of residents and fierce competition – only 17% of households in the survey indicated that this was a major reason for them not to take up production, services or retailing activities (see table 1 under “market related factors”). This does not mean that people are not aware of the adverse economic conditions for running HBEAs. In the street going to a primary school in *Nieuwweergevondenweg* (see figure 4b), for instance, no less than seven

households (five of them have been interviewed) produce and sell snacks and food to schoolchildren. This severe competition has resulted in loss of turnover for the early starters and decreasing prices for all. Although everyone knows the reason why nobody is actually complaining. They all accept that people's precarious situation urges them to earn some additional income. The fact that many HBEA-operators take up similar types of work rather than trying to establish their own particular niche is perhaps not rational from an economic perspective but fits well into the livelihoods logic of most HBEA-operators. Competition may be fierce, but the need to maintain good social relations is considered more essential. Neighbours may deprive you of some customers, but they may simultaneously be a source of information about employment opportunities, provide you a small loan or food in times of scarcity, or keep an eye on your house and belongings when you are away. For residents in both communities in Paramaribo good social relations with their neighbours were highly valued and considered to be even more important than family or friends in times of need. This does not necessarily mean that neighbours spend much time together. In fact, participants in focus group discussions among several HBEA-operators stated that close social interaction will only cause conflicts and gossiping. Greeting each other and helping each other out in times of adversity is the preferred style.

Operating a HBEA means that you are always torn between two interests that carefully need to be balanced. When approached for credit the 'good neighbour attitude' may entice the operator to do so whereas his/her business attitude will cause reluctance. Numerous respondents mentioned deferred payment and poor credit behaviour of customers as a major threat to the survival of their activity. Feelings of jealousy and envy towards those households that *appear* to be doing much better than others can also complicate matters. Earl Lovelace describes this beautifully the context of urban Trinidad in "The dragon can't dance". Others sometimes refer to it as "the Pariag" or "crabs in a barrel" syndrome (reference zoeken). As a result neighbours may- in extreme cases- boycott HBEAs and try to break their business. More frequently, HBEA-operators complained about gossiping and the bad payment behaviour of neighbours because "they think you have it and can always wait". This downside of social capital certainly affects the performance of HBEAs

Social relations beyond the family and the local community include those with suppliers. However, in most instances HBEA-operators do not have fixed relations with suppliers and simply try to buy where the prices are lowest. Their scale of operation usually precludes access to additional services, such as (free) home delivery. Most suppliers do not require HBEA-operators to be licensed. Only the large bread factory in Paramaribo delivers exclusively to licensed traders to guarantee proper hygienic conditions.

Space and place as an asset

Although Moser (1998) has sparked attention for habitat as a productive asset so far little research has been done on the role of local space and place in people's livelihoods (cf. Dierwechter, 2002). Of course, the studies on HBEAs have contributed to a better understanding of the role of the home as workplace. Similar to the livelihoods approach they try to adopt a more encompassing view, acknowledging the multiplicity of functions the house supports. At the same time HBEA studies – again somewhat comparable to the early livelihoods studies - suffered from their one-sided focus on the micro level. Also the literature on gender issues and intra-household relations in home-based work- although linking the micro-level of analysis to overall societal structures and processes (Blumberg, 2001; Ghafur,

2002; Mahmud, 2003) - does not look into the wider space and place dimensions of these activities. Here we will try to look if and how the spatial characteristics of people's habitat affect the potentials for using it as a livelihoods asset.

As mentioned before Paramaribo is an extensive city and plots are generally fairly large (the average in our sample was around 400m²). In discussing space and place as assets, we will deal with the following aspects: size of the plot, quality of land (fertility, drainage), quality of the house (physical attributes), accessibility of the plot/house (including seasonal differences), location of the home within the neighbourhood (main road or a back road), and the location vis-à-vis the city centre. We have examined how these factors affect both the prevalence of various HBEAs (production, sale, service or agriculture) and their performance.

Agricultural activities

In Table 3 we presents the reasons given by households in the survey NOT to operate agricultural activities from home. The unsuitability of the land (meaning that the soil is not fertile, floods during the year or is covered with for example trees) is the most important reason for people not to plant. Interestingly, as can be deduced from table 4, no statistical relation could be found between the quality of the land (as perceived by the respondents) and people's planting activities. No less than 42% of those using their plots for horticultural purposes think the land is actually unsuitable (for the non-planters this is 54%).

Table 3: reasons given by respondents for not or no longer operating agricultural activities:

Reason	Cultivation plants/fruits	Breeding fowl
Not interested	2,7%	3,6%
No time	28,1%	17,0%
Plot not suitable	32,7%	20,7%
Plot is too small	11,8%	9,0%
Production problems (theft, animals, death, neighbours)	10,0%	29,7%
Personel problems	10,0%	9,0%
Financial problems	2,7%	8,1%
Other	1,8%	3,6%
Total	N=110	N=111
No answer/not applicable	N=22/57	N=18/60

More decisive factors in explaining the actual difference are the size of the plots and the relative location towards the city centre.

Table 4: Spatial factors and cultivation of plants

	Cultivation of plants	No cultivations of plants
SIZE	Cramer's V is 0,187	Significance is 0,072
Size smaller than average	43,6%	64,3%
Average size	25,6%	17,9%
Larger than average	30,8%	17,9%
SUITABILITY LAND	Cramer's v is 0,123	Significance is 0,416
Good, all year around	42,0%	36,2%
Only in dry or wet season	16,0%	9,4%
Never	42,0%	54,3%
WHY IS LAND NOT SUITABLE	Cramer's V is 0,132	Significance is 0,656
Too small	45,0%	35,6%
Physically not suitable	25,0%	39,7%
Water problems	25,0%	21,9%
Neighbourhood restriction	5,0%	2,7%
LOCATION WITHIN COMM.	Cramer's V is 0,044	Significance is 0,548
Main road	49,0%	54,0%
Back road	51,0%	46,0%
RELATIVE LOC. COMMUNITY	Cramer's V is 0,17	Significance is 0,02
Close to city centre	34,0%	53,2%
Urban fringes	66,0%	46,8%

The main reasons not to breed fowl are classified in a single category as 'production problems'. These refer both to the demanding nature of fowl production such as hygiene and diseases, and to social constraints such as theft of animals by neighbours and expected complaints by neighbours about noise, smell or unhygienic situations associated with fowl breeding. Another reason for the absence of these activities is the unsuitability of the land. Table 5 clearly shows that breeding of fowl correlates positively to the quality of the land. If people think their plot is not suitable for breeding animals they usually decide not to take up this line of business. Somewhat contrary to people's perception the size of the plot does not have a meaningful impact on their decision to engage in fowl breeding. However, as the discussion above points out, non-spatial aspects are more decisive.

Table 5: Spatial factors and breeding fowl

	Breeding fowl	No breeding of fowl
SIZE	Cramer's V 0,024	Significance is 0,958
Size smaller than average	57,1%	59,5%
Average size	23,3%	19,8%
Larger than average	22,9%	20,7%
SUITABILITY LAND	Cramer's V 0,387	Significance 0,000
Suitable	42,5%	9,3%
Not suitable	57,5%	90,7%
WHY IS LAND NOT SUITABLE	Cramer's V 0,331	Significance 0,016
Too small	61,5%	34,7%
Physically not suitable	7,7%	25,5%
Water problems	7,7%	15,3%
Neighbourhood restriction	23,1%	24,5%
LOCATION WITHIN COMM.	Cramer's V 0,42	Significance. 0,516
Main road	48,9%	53,8%
Back road	51,1%	46,2%
RELATIVE LOC. COMMUNITY	Cramer's V 0,166	Significance 0,023
Close to city centre	33,3%	52,8%
Urban fringes	67,3%	47,2%

With respect to the other habitat-related criteria, only location of the land proved to be a decisive factor (see table 4 and 5). It should be noted that plots in the peri-urban area of *Nieuwweergevondenweg* are slightly larger than in the inner city area of Krepi. But even when corrected for size, the incidence of people planting and/or breeding fowl in the peri-urban area remains slightly higher. This is probably related to the rural background of people in the peri-urban zone and the fact that more of them are familiar with agricultural activities.

Production, sale and services

Tables 6, 7 and 8 provide an overview of the statistical correlations between spatial factors on the level of the house (quality house, land, size of the land), the neighbourhood (location within the community and accessibility) and the city (location of the community vis-à-vis the city centre) on the one hand, and the prevalence of production, sale and services-related HBEAs on the other. As the statistical analysis shows, neither the quality of the land and the house, nor the size of the plot really matter. This accords well with people's perception (see table 2) as only a small group indicates that the inappropriateness of their habitat motivates them not to operate a production (4,5%) or sale (2,2%) oriented HBEA. Spatial factors on the plot level (size of land and quality of the house) do slightly affect the prevalence of service-oriented HBEAs (table 8). This category also includes major space-consuming activities such as childcare facilities and car mechanic shops which may explain why plot size is a more pressing issue. Again, this does not match with people's own perception since only 2,0% (see table 2) considered unsuitability of land (including size) a reason not to operate HBEAs.

Table 6: Spatial factors and production oriented HBEAs

	Production oriented HBEA	No Production oriented activ.
SIZE	Cramer's V is 0,067	Significance is 0,711
Size smaller than average	53,3%	60,0%
Average size	20,0%	20,0%
Larger than average	26,7%	20,0%
SUITABILITY LAND	Cramer's V 0,091	Significance is 0,670
Suitable	44,1%	36,6%
Suitable part of the year	5,8%	4,6%
Not suitable	50,0%	7,8%
QUALITY HOUSE	Cramer's V is 0,084	Significance is 0,530
Good	39,4%	46,3%
In need of repairs	57,6%	47,7%
Bad	3,0%	6,0%
LOCATION WITHIN COMM.	Cramer's V is 0,119	Significance 0,103
Main road	40%	55,3%
Back road	60%	44,7%
RELATIVE LOC. COMMUNITY	Cramer's V is 0,217	Significance is 0,003
Close to city centre	25,7%	53,6%
Urban fringes	74,3%	46,4%

Our analysis of spatial factors at city level shows that slightly more production- and sale oriented HBEAs were established in the urban fringe area than in the inner city (Cramer's V is 0,21 and 0,15 respectively and significance is 0,03 and 0,05) whereas there was no difference for service-oriented HBEAs. People living near the city centre obviously have a wider range of options available to them. Nevertheless, the difference was less pronounced than we expected. An explanation can be found in the type of activities carried out at home.

These activities are complementary to those offered in CBD-areas rather than competing with them. They either provide services people need on community-level (such as childcare services or small groceries for incidental purchases) or cheap equivalents to city-centre functions (such as car-mechanics, seamstresses or hairdressers). Although the peri-urban Nieuweergevondenweg provides more commercial functions than Krepi, these are run from commercial buildings and not from houses. We will return to the role of city-level spatial assets when we will present our GIS-data.

Table 7: Spatial factors and Sale/retail activities

	Sale/retail oriented HBEA	No sale/retail activities
SIZE	Cramer's is 0,081	Significance is 0,612
Size smaller than average	57,1%	58,3%
Average size	14,3%	21,3%
Larger than average	28,6%	20,5%
SUITABILITY LAND	Cramer's V 0,132	Significance is 0,36
Suitable	34,6%	37,7%
Suitable part of the year	7,7%	3,8%
Not suitable	57,7%	8,2%
QUALITY HOUSE	Cramer's V is 0,031	Significance is 0,919
Good	48,0%	45,2%
In need of repairs	48,0%	49,0%
Bad	4,0%	42,2%
LOCATION WITHIN COMM.	Cramer's V 0,062	Significance is 0,402
Main road	44,4%	53,2%
Back road	55,6%	46,8%
RELATIVE LOC. COMMUNITY	Cramer's V is 0,146	Significance is 0,047
Close to city centre	29,6%	50,3%
Urban fringes	70,4%	49,7%

Finally, we will discuss neighbourhood level spatial assets, more in particular the type of road (main road or back road) HBEAs are situated along, and the accessibility of this road. In both communities only the main roads are tarred, while the others are dirt roads. The main roads open up the neighbourhoods and attract traffic from outside. Over the past few years, many paved roads have been renovated and are now more or less pothole-free. The dirt roads, on the other hand, are usually in a deplorable condition. Residents claim that the authorities concerned simply ignore these roads. As a result people sometimes organise themselves to have the roads repaired sharing the costs of material and labour. In other streets, however, these initiatives are not successful because residents disagree on the question "who needs to pay what and why?". But even when the dirt roads are levelled regularly to increase accessibility, the improvements are only meaningful during the dry seasons. Annual flooding of the dirt roads caused by excessive rains and poor drainage usually restricts their accessibility during the rainy season severely. Consequently, accessibility of habitat and relative location conflate, and, therefore, are discussed here as one.

Table 8: spatial factors and services

	Service oriented HBEA	No service oriented activities
SIZE	Cramer's V is 0,235	Significance is 0,016
Size smaller than average	30,0%	63,4%
Average size	30,0%	18,3%
Larger than average	40,0%	18,3%
SUITABILITY LAND	Cramer's V is 0,149	Significance is 0,244
Suitable	50,0%	36,0%
Suitable part of the year	0,0%	12,8%
Not suitable	50,0%	51,2%
QUALITY HOUSE	Cramer's V is 0,202	Significance is 0,024
Good	20,8%	49,1%
In need of repairs	75,0%	45,3%
Bad	4,2%	5,7%
LOCATION WITHIN COMM.	Cramer's V is 0,043	Significance 0,551
Main road	58,3%	51,8%
Back road	41,7%	48,2%
RELATIVE LOC. COMMUNITY	Cramer's V is 0,018	Significance is 0,808
Close to city centre	45,8%	48,5%
Urban fringes	54,2%	51,5%

Tables 6, 7 and 8 suggest that there is no statistical relation between the relative location within the neighbourhood and the prevalence of HBEAs. However, we have scrutinized this aspect using a GIS instrument and distinguishing specific types of production, sale and service oriented HBEAs. In Figure 3a+b, 4a+b and 5 a+b these analysis are presented.

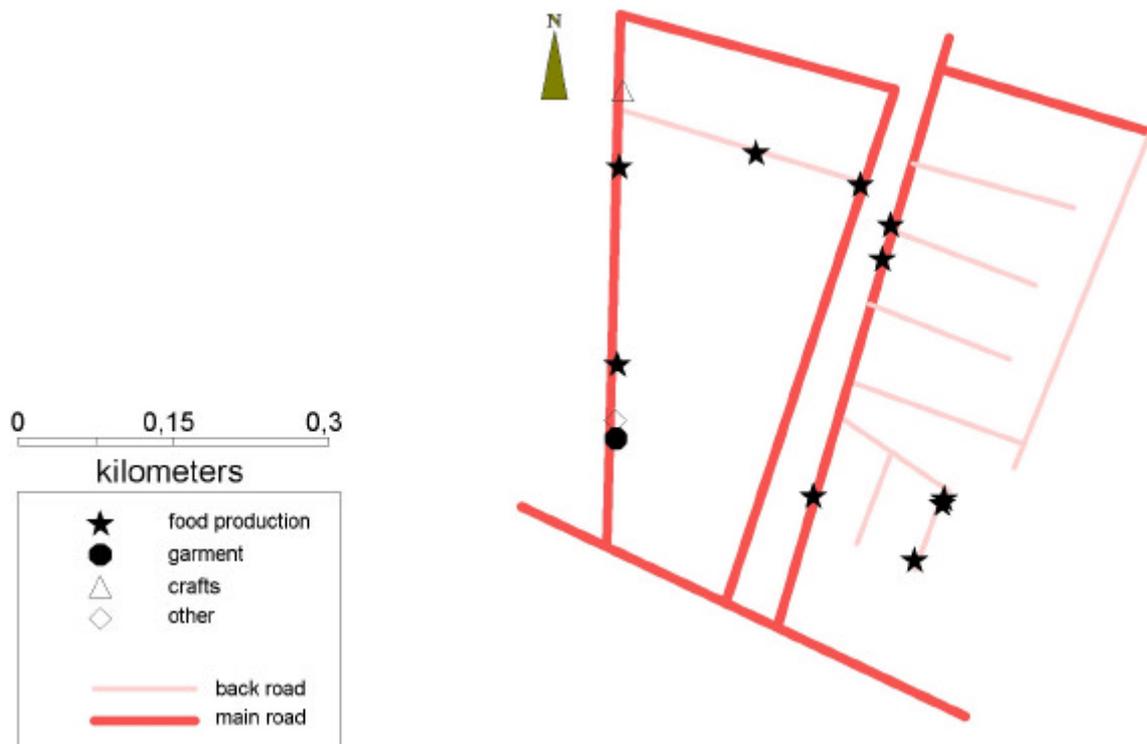


Figure 3a. Production oriented HBEAs in Krepi

At first sight it does not matter a great deal where your production oriented HBEA is located within the neighbourhood. However, figures 3a and 3b show that a main or back road location is important when looking more precisely at the type of goods that are being produced. While food production can be found scattered throughout the area other forms of production are restricted to the main road. This is probably due to the fact that the latter require face-to-face contacts with potential customers at the production site, something which the inaccessibility of the dirt roads effectively debar. It is accessibility and not marketing needs that explain this particular locational pattern for none of the HBEAs oriented towards production is visible from the street. These informal HBEAs entirely depend on mouth-to-mouth advertisement for attracting customers. Since food products can be sold and consumed elsewhere the HBEAs involved do not really need a site that allows for face-to-face contacts with buyers.

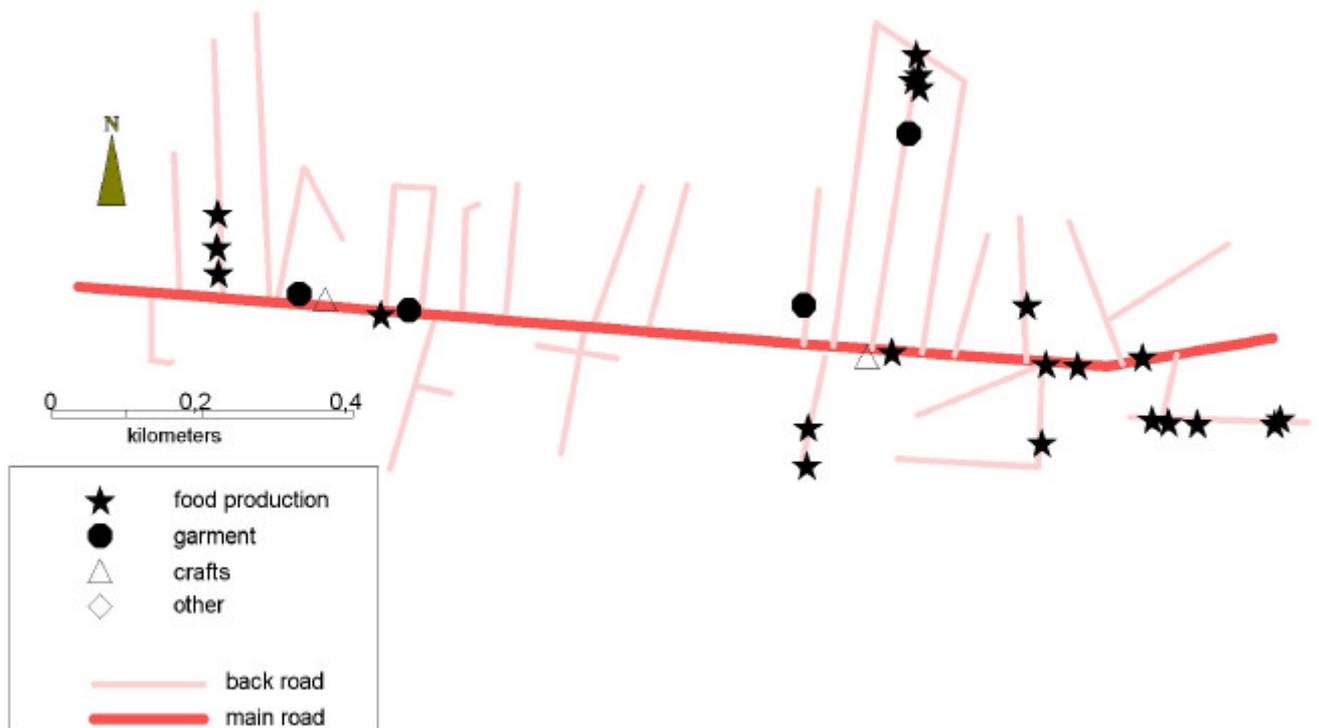


Figure 3b. Production oriented HBEAs in Nieuwweergevondenweg

Figures 4a and 4b portray the situation for retailing activities in the two communities. The maps show that selling of food products largely takes place in HBEAs along the main road. Food producing HBEAs along dirt roads sell their food elsewhere or work on order as caterers. The only exception is a small cluster of food outlets along a dirt road in Nieuwweergevondenweg which are all catering for the needs of school children from the nearby primary school. Groceries are either located along the main road or on the longer back roads at considerable distance from the main road. The latter usually serve a highly localized clientele, which, however, does not necessarily imply that they are more marginal than their colleagues along the main road where competition is more severe.

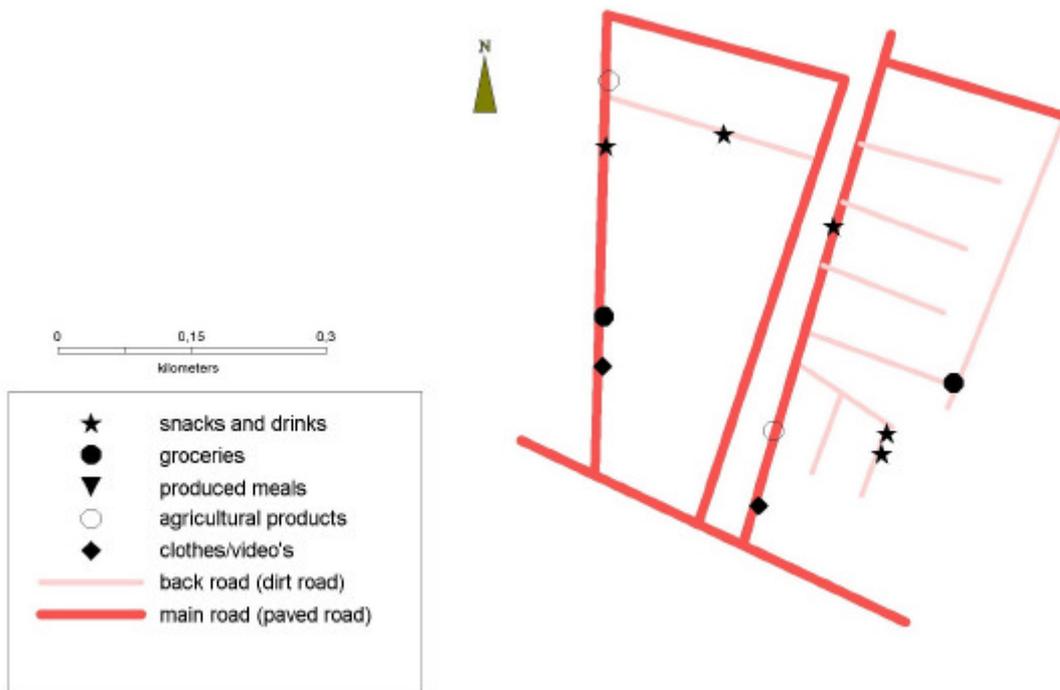


Figure 4a. Sale/Retail oriented HBEAs in Krepi

A remarkable difference between retailing activities along the main and those in the back roads is the degree of formalisation. In Suriname there are several aspects to formalisation. First of all, businesses are to be registered with the tax department, second some types of enterprises are subject to specific licences (for example food producers or shop owners) to be applied for at the local or central government. Finally, they need to register with the Chamber of Commerce. Here we have taken tax-registration as the criteria for formalisation (except for a food handlers permission, for other aspects of formalisation tax registration is necessary). Sale activities along the main road are all formalised whereas those in back roads are not registered. Apparently, good accessibility translates into a need to obey official rules and regulations. On the other hand HBEA-operators off the main road do not have to fear governmental control and, consequently, decide to save on the costs for getting registered.

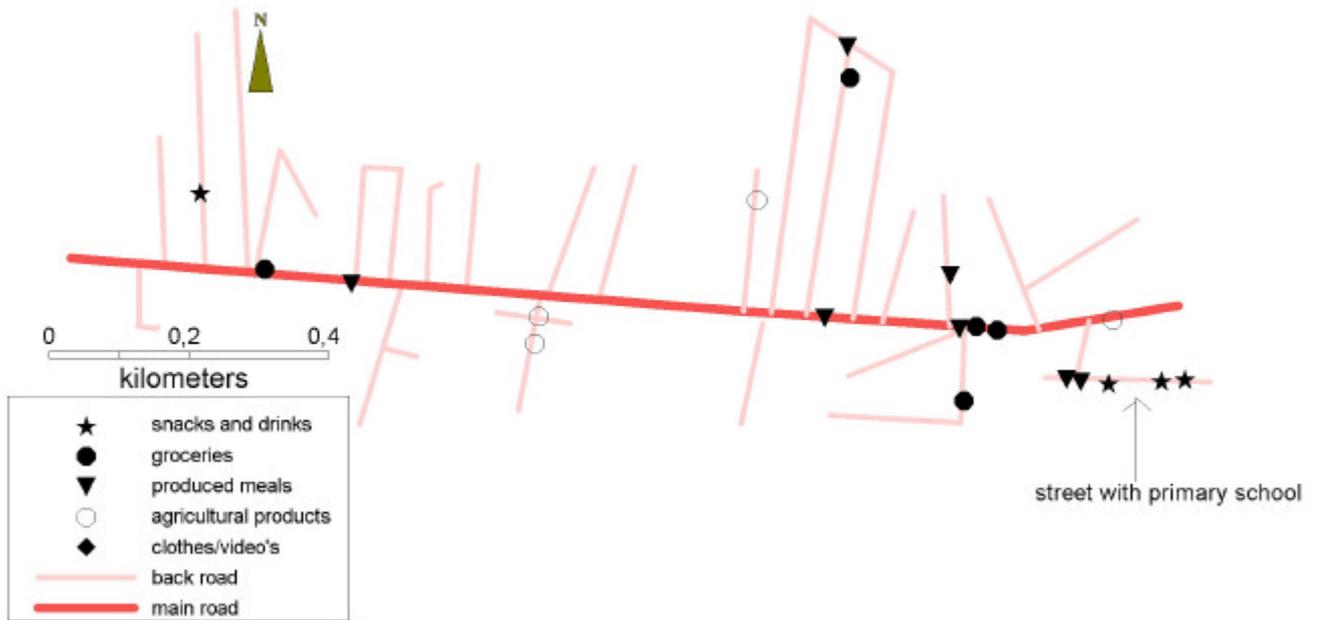


Figure 4b. Retail oriented HBEAs in Nieuwweergevondenweg

Similar conclusion can be derived from figures 5a and 5b, indicating the locational pattern of home-based services activities within both neighbourhoods. Once again one can notice that activities along the main road that immediately catch the eye, such as car mechanics or hairdressing, will be formalised whereas those along the back roads continue to operate informally.

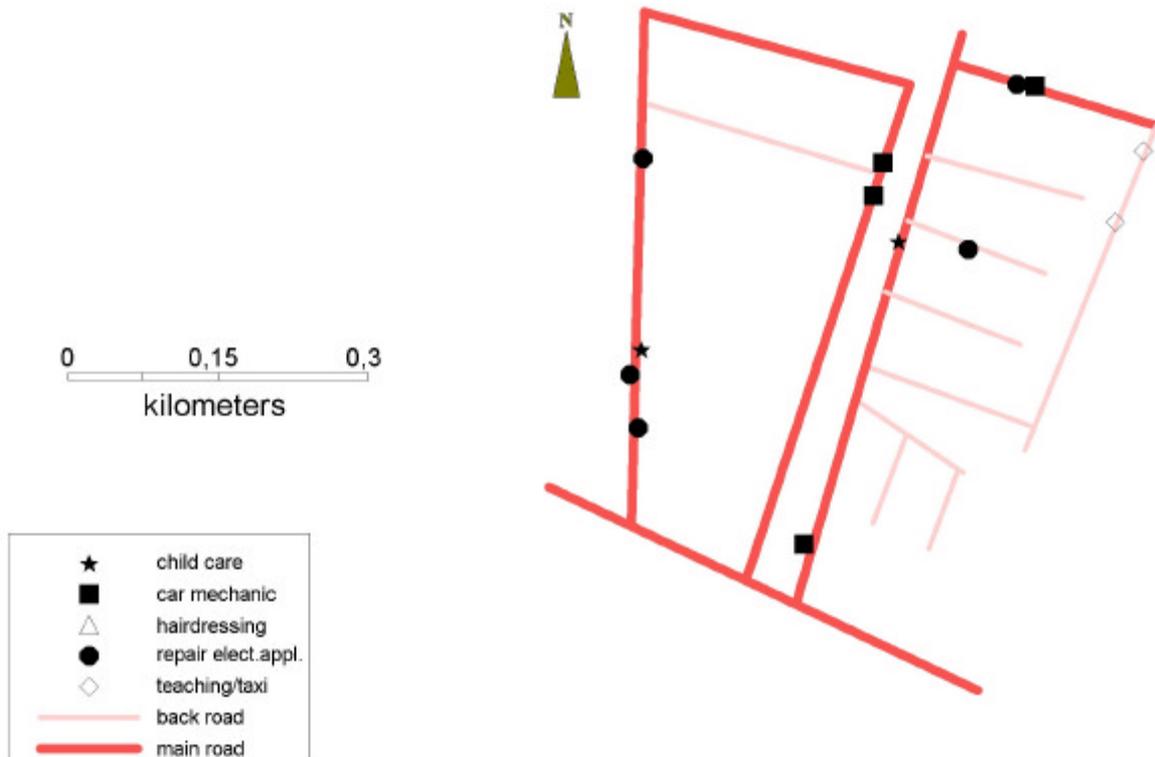


Figure 5a: services in Krepri

Our interpretation of the GIS-data is further supported by the in-depth interviews with HBEA operators. In answering to questions about why they operated a specific type of HBEA, and whether they planned to expand or apply for licenses many of them pointed to the space-place attributes of their current location. A few examples may serve to illustrate this. The reason for a Javanese woman who sells snacks to bypassing schoolchildren not to expand her business to a *Warung* (Javanese restaurant), is her location along a quiet back road. An Indian businesswoman found the perfect location for her grocery store at the end of a long back road. According to her high population density together with the local habits to buy in small quantities will secure her a reasonable income, especially while there are no other grocery stores in the vicinity. At the same time the poor quality of the road prevents deliverers to pass by her store and forces her to use her own car to supply goods. Finally, a man who sells and repairs second hand car tires indicated that he had obtained a license not only to become a genuine entrepreneur but also because he cannot afford to do without. His activity along the main road in Krepi cannot escape anyone's notice

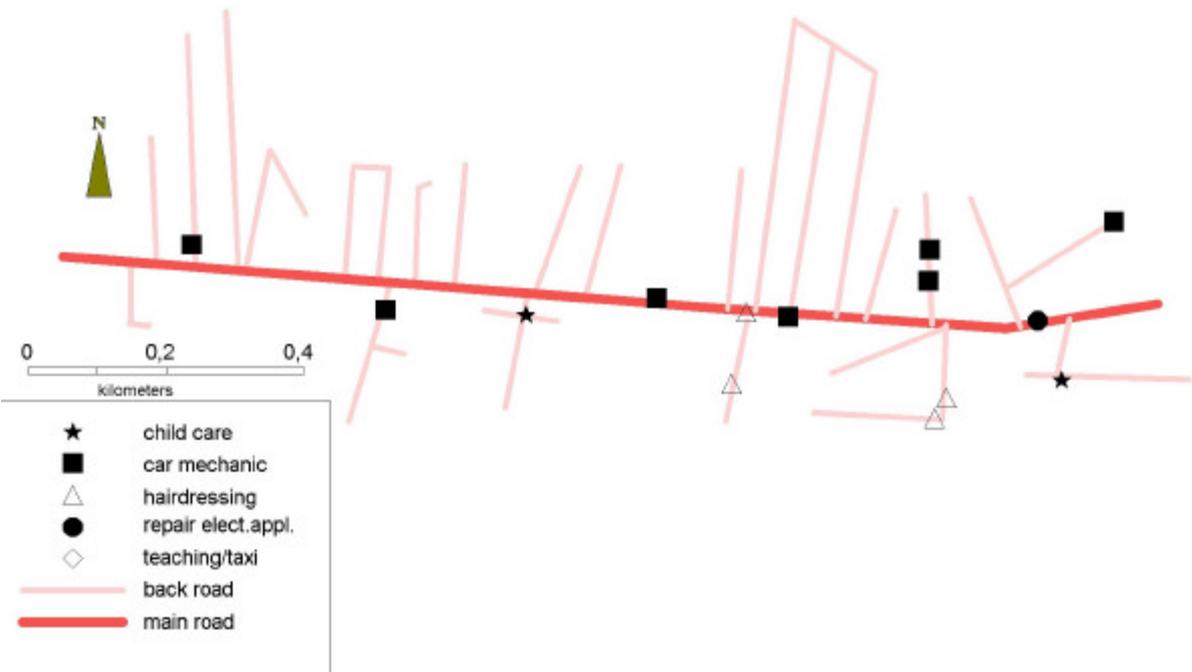


Figure 5b: services in Nieuwweergevondenweg

When comparing the two neighbourhoods it is remarkable to see that differences in terms of types of HBEAs are in fact small, except for agricultural activities. For HBEAs the relative location within the city is not that important. Most of these activities are exclusively oriented towards neighbourhood servicing rather than the urban market per se. This is also true for Nieuwweergevondenweg which, although located away from the city centre, hardly accommodates HBEAs that serve a wider clientele.

HBEAs as situated practice: a concluding discussion

In the recent past various approaches to study HBEAs have been tried, each prioritizing a particular dimension of their functioning. In the classical Schumpeterian perspective the dynamism of the entrepreneur involved is put centre stage, while a household perspective emphasizes intra-household and gender inequalities underlying their functioning, and the (in)formality debate stresses the growth impeding impact of informality. Our study testifies to the need of a more eclectic understanding. This is provided by the “modern” livelihoods approach that offers a holistic perspective to the study of the range of activities people are engaged in to build their livelihoods. HBEAs are examined as situated practices, e.g. as activities that develop in response to the changing livelihoods situation of the operator and his/her household. The prevalence and performance of these activities can be related to the particular set of assets available to the latter at a particular moment of time and in a particular place. The HBEAs are linked to the wider world by the policies, processes and institutions that shape the opportunities and constraints for getting access to and mobilizing these assets. In the Paramaribo case, for example, market principles dominated relations between HBEA operators and suppliers, while social networks were utilized to get access to credit and skills training.

The surplus value of a livelihood approach becomes evident when looking at the entrepreneurial logic of the HBEA-operators. Business behaviour cannot simply be reduced to purely businesslike considerations such as profit maximizing, cost efficiency and growth. It is the outcome of careful balancing between various responsibilities (productive and reproductive) and concerns (economic and social) within households. Our discussion on the role of credit and investment within HBEAs underscores this view. It shows that many HBEA-operators tend to avoid credit and risk and aim at securing the meagre income these activities generate rather than seeking to expand them.

The paper also allows us to reflect on the significance of formalisation as a means to ensure better economic performance. Our data do render support, at least to some degree, to the popular claim (cf Hernando de Soto) that formalization stimulates investment and expansion of HBEAs. There is a clear statistical correlation between formalisation of HBEAs – tested by looking at the criteria most pertinent in the Paramaribo situation i.e. tax registration - and incomes (gamma is 0.783 and significance 0,000). However, this finding obscures the fact that many HBEA-operators are not really interested in making investments and expanding their business. They deliberately try to avoid formalisation because it ‘forces them to pay and follow specific standards’, that will only deliver true benefits if they would grow. Those that have registered properly often indicated that they were more or less forced to do so either because they were visible, and hence, subject to official controls, had to deal with suppliers that require permits, or because they were afraid their neighbours would report them.

This idea is further confirmed by looking at the relation between formalisation and relative location (gamma 0,461 sign 0,096). Although the correlation for the entire researched population is not very pronounced one can say that the HBEAs in the less visible and accessible back roads are less often formalised than those along the main road. This implies

that the decision to formalize one's activity is not merely a matter of seeking to do better in business⁷.

A second claim, again associated strongly with De Soto, is that tenure security and performance are closely related. It was already said before that overall tenure security in Suriname is relatively high. In fact, virtually all our respondents did not face tenure insecurity, and, consequently, differences in their economic results cannot be attributed to that. However, the specific tenure situation does point out, for example, that HBEA operators who are renting their place earn less income than those working on family property or owning their house. Therefore, De Soto's claim needs to be qualified. It is the question if the habitat asset can in fact be mobilized that matters most. Rules set by the owner may prevent renters from operating HBEAs, e.g. a constraint unrelated to de jure tenure security. Furthermore, people living on family property (the so-called "boedel"), despite being co-owner, cannot use their house as collateral for a loan even if they wanted to. It is important to understand that tenure security is not the same as being able to use habitat as a financial asset.

Finally, our analysis of spatial factors affecting the operation of HBEAs taught us something about the importance of habitat as an asset. In addition to what has already been said about the link between relative location and formality, it turned out that accessibility is a key factor in explaining the type and organisation of HBEAs. At the same time other qualities of the house and the land surrounding it hardly mattered and neither did the location of the neighbourhood vis-à-vis the city centre. In fact, spatial factors at the level of the house and the community only significantly affected the prevalence and type of agriculture-related HBEAs. Although place matters, it is certainly no more than one factor among many. However, this befits the livelihoods framework that calls for a multifaceted (situated) analysis of HBEAs that precludes easy generalisations. One has to accept that similar activities may display very dissimilar logics on the part of the operators involved.

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⁷ Although we found out that HBEA operators along the main roads earn slightly better than their colleagues along the back roads, these relations are not statistically significant (gamma is 0,347 and significance is 0,264). Several factors complicate the picture, e.g. several people with HBEAs located on a side road sell their goods elsewhere in order to perform satisfactorily. Furthermore, the size of the sample is perhaps too small to arrive at meaningful conclusions on the relation between relative location and income.

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