Home-Based Economic Activities and Caribbean Urban Livelihoods

Vulnerability, Ambition and Impact in Paramaribo and Port of Spain

Hebe Verrest

Universiteit van Amsterdam

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The publication of this book is made possible by a grant from WOTRO (Science for Global Development) of the NWO (Netherlands Organisation for Scientific Research) and AMIDSt (Amsterdam Institute for Metropolitan and International Development Studies) of the University of Amsterdam.

Lay out: Hebe Verrest
Cover design: René Staelenberg, Amsterdam
Cover illustration: Daphne Verrest

ISBN 978 90 5629 490 8
NUR 900

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HOME-BASED ECONOMIC ACTIVITIES AND CARIBBEAN URBAN LIVELIHOODS

Vulnerability, Ambition and Impact in Paramaribo and Port of Spain

ACADEMISCH PROEFSCHRIFT

ter verkrijging van de graad van doctor
aan de Universiteit van Amsterdam,
op gezag van Rector Magnificus,
prof. dr. D.C. van den Boom
ten overstaan van een door het College voor Promoties ingestelde
commissie, in het openbaar te verdedigen in de Aula der Universiteit
op vrijdag 30 november 2007, te 12.00 uur

door

Hebe Joanna Louisa Maria Verrest
geboren te Roosendaal

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Faculteit der Maatschappij en Gedragswetenschappen.

Acknowledgements

The life of a *promovendus* is often associated with spending months and years isolated in a forgotten room in some faculty building. Writing the last pages of this thesis and looking back at the past years, I am sure I will remember my PhD-life differently. Yes, I have lonely, questioning myself on what I was doing, for whom and why? Yet, much more often I have enjoyed PhD-life and felt very fortunate to explore, think about, observe and question the world around me and particularly the lives of people in the studied areas in Paramaribo and Port of Spain. Most of all though, I will associate PhD-life with people. People who have been important at various times of the past years and to whom I feel indebted. In trying to name them all, I am sure to forget someone. So if you feel you should have been listed here, know that I agree.

First and foremost I am grateful to the women, men and children in the communities of Krepi, Nieuwweergevondenweg, Gonzales and Mount d'Or for allowing me to be in their home-environment, asking questions and looking around. I am thankful to the people that participated in the survey and allowed me a glance of their daily lives. I cherish the conversations I had with the women and men that agreed to an in-depth interview. Their willingness to respond to personal questions and their openness in telling about past experiences, daily struggles and future dreams, was beyond any of my expectations. Sitting in someone's shop or under a mango tree, I not only learnt for this study, I learnt for life. My special thanks go to Malcolm Kernahan, Brian Isaac and Father Jason in Gonzales; Jeanet Kernahan and Vera Cazoe in Mount d'Or; Monique and Annet in Krepi; Cynthia and Mariska in Nieuwweergevondenweg. In Suriname and Trinidad and Tobago I spoke to numerous representatives from NGOs, community organisations, governmental departments, businesses and social organisations. Thanks to all of you!

I feel privileged to have had the opportunity to work with my *promotores* and *co-promotores*. I am grateful to Professor Rhoda Reddock who was, despite her enormous workload, willing to be my promoter. She introduced me to Trinidad and Tobagonian life, including highlights such as 'playing mass'. Your critical reflections have challenged me throughout the PhD-process and are invaluable to my work. I hope to reflect more on what you taught me in future research, papers and views. Moreover, your commitment, dedication and energy are an example to me. To Johan Post I am thankful for the time and energy he invested in discussing several proposed structures of the thesis as well as commenting on each draft version. I have good memories of your visit to Paramaribo, including sharing Parbo beers and talking about other things than research. I am

happy that visit resulted in a joint publication. Working with you on that article was productive, pleasant and a true cooperation.

I started working with Professor Isa Baud and Professor Ad de Bruijne as early as 1996 when I was a Human Geography student at the Universiteit van Amsterdam. You suggested I should take up a PhD-research, long before I had ever considered it. I did not think it was something for me but you kept on stimulating me, and I am happy you did. I have always felt the trust you put in me and in my work, and have experienced that as a great support. Ad, you introduced me to your beloved *Sranan*. By sharing your memories, knowledge and contacts with me, you have passed some of that love on to me. The manner in which you move energetically around *Parbo*, conduct research, speak and write about the country and its people, is widely respected and appreciated in Suriname. And, it is an example to me. Isa, when I was in need for a quiet place to write, you opened up the farmhouse in Dalfsen to me. The weeks I spent there writing chapters were priceless. During some of those weeks in Dalfsen, I had the joy of your company. That was what one could call in-depth and unique supervision. Yet, during the many walks and talks (and shop sessions!), I got to know you as more than a supervisor. From you, I hope to have learnt to be result-oriented without missing depth; to think ahead while listening carefully; and that, despite ambition, there is more to life than work.

In Suriname I found a working place at the NIKOS-office. I am very grateful to Marten and Usha Schalkwijk for their hospitality and care. Their energy, sense of humor and believe in Suriname are an inspiration. Marten, thank you very much for your critical remarks to my work. To Derryck Ferrier, I am indebted for his enthusiasm for my study, for teaching me about Suriname ever since 1997 and in this, for sharing his infinite knowledge with me. In addition, I am thankful for the support of Leatitia Beek from University of Suriname and Celestine Weidum from the Geography department of the Senior Teachers College (IOL).

Trinidad and Tobago was a new place for me and I was very lucky to have the vibrant Centre for Gender and Development Studies (CGDS), UWI-St. Augustine, 'adopting me'. Professor Rhoda Reddock, Professor Patricia Mohammed, Glenda Ottley and all other colleagues and students of the Centre, thanks so much for talking, listening, discussing and teaching me. I am also grateful for your cooperation in organizing the seminar 'Poverty and Statistics in Trinidad and Tobago' in 2005. In addition, I am appreciative of the Department of Surveying and Land Information for housing me. I enjoyed the times spent with Dr. Asad Mohammed in St. Augustine, Kingston, Leiden and Amsterdam and I am thankful for your constant reminders to narrow the study down. I will not

forget the conversations I had with Professor Norman Girvan while drinking cappuccinos. He enlightened me on Caribbean politics and economics. Thanks to Diana Fox, Ron and Heidi for continuing to work in Mount d'Or and for showing me Jamaica.

I was fortunate to meet inspiring Caribbeanists during conferences in Leiden, New Castle and Kingston, and on other occasions in the Netherlands: Professor Colin Clarke, David Dodman, Pitou van Dijck, David Howard, Paula Kibbelaar, Liza de Laat and Ellen de Vries. Thanks to Rivke Jaffe for sharing that with me. I am happy to meet you again in Leiden!

In the Netherlands, I have worked at the Universiteit van Amsterdam/AMIDSt-office. Colleagues and friends there have supported, challenged and inspired me, and made me laugh. I am most indebted to my fellow PhD-students of 'Room 203' with whom I spent four and a half years of my PhD-life: Anna Laven, Ellen Lammers, Marlie Hollands, Perry Hoetjes, Robert Röhling and Jacob Boersema. In addition I want to mention Niels Beerepoot, Amanda Brandellero, Edith van Ewijk, Udan Fernando, Kees van der Geest, Wouter van Gent, Nadav Haran, Michaela Hordijk, Mirjam Kabki, Marjolijn van der Klis, Marloes Kraan, Virginie Mamadouh, Iris Monnereau, Aenne Post, Babak Rezvani, Lothar Smith, Brooke Sykes, Els Veldhuizen, and Fred Zaal. Special thanks for the support of Puikang Chan, Marianne van Heelsbergen, and Guida Moreis E Castro.

Over the course of time, I had the opportunity to supervise several students. I am grateful for your work and your interest in Suriname and Trinidad and Tobago. Special memories I have of the time I spent with Trix Janssen and Onyema Onwuka in Trinidad. It was on life and 'lovelihoods' as much as on work and livelihoods.

The fieldwork of Natasia Agard and Renette Ursha Feracho was of great help. Katherine Miles did a good job editing the thesis. Sjoerd de Vos' advice on statistical procedures and his comments on data chapters are invaluable. Jan Mansvelt Beck gave valuable comments to the summary. I thank Els Veldhuizen, Karin Pfeffer and Evert Verkuijlen for teaching me GIS and Onno Beukenhorst for editing the various GIS-maps. Ewald Engelen's knowledge of and ideas on social theory and epistemology were of great help. I am indebted to Rianne Heijboer, for checking references and editing figures. My sisters Daphne and Niobe contributed to the thesis by making corrections, editing figures and creating the front page picture. Financially, the study was made possible by the support of NWO/WOTRO and the Universiteit van Amsterdam/AMIDSt.

I have made friends in Paramaribo who make me feel at home. Ingrid Baptista-Jessurun has provided me with a real home in the Hofstede Crulllaan, ever since 1997. There is nothing like talking *tori* on your balcony and watching the sun set. Sobha Lalkoe, Regi Dors, Angelique Lalkoe, Arwish, Harvey and their relatives, have become my family in Suriname. Bigi brasas to Ine Apapoe, Berryl Morris, Astrid Runs, Paul Tjon Sie Fat, Ageda Venema and Marieke Visser. In Trinidad and Tobago, Nicola Cross, Elspeth Duncan, Gabrielle Hossein, Miki Sven Grant, Jalalludin Khan and Teresa Rosemond became my friends. I have good memories of the time spent with Michelle Amoruso, Aisha Mohammed and Gail Rigobert at the 'Bachelor Flats'.

I am proud to have developed friendships that survived my long periods of absence. Thanks to Mark and Nicole Baptista, Petra Bartels, Joost Dam, Erica van Dijk, Mayke Kromhout, the women of my *eetclub,* Floor Grootenhuis, Marjan Hopmans, Esther Huizenga, Deborah IJsendijk, Adelbert Kamanzi, Pia van Kleef, Marieke Knijn, Alfred Lakwo, Michael Loswijk, Esther Matthijsen, Mariët van der Molen, Jet Nauta, Marieke Noz, Elske Oosterbroek, Ivet Pieper, Mieke van de Pol, Odette van der Rijst, Remco de Ruig, Sterre, Laureline Smith, and Sandra Trienekens. Thanks for accepting my moodiness and making me relax, laugh and feel good.

Erica van Dijk and Marloes Kraan, thank you for being my paranimfen. I will feel confident having you standing besides me.

I come from a close family where open-minds and support are highly valued. Thanks to my uncles, aunts and cousins for care, fun and interest. Special thanks to Lia and Gerard who came to visit me in Suriname, Lieneke for reading a draft version, and to my 'lichtje' Judith and 'leef' Peet. I am fortunate having grandmothers around me for a long time. Their lives and chances are incomparable to mine but inspire me to capture opportunities and to enjoy what I am doing!

My two sisters Daphne and Niobe visited me in Trinidad and Tobago where we shared great times. Your support throughout my PhD-time means a lot to me. I used to regret not having a brother but nowadays I don't understand what exactly I thought I missed. Besides that, I have a fresh brother-in-law now, Jeroen.

Last but not least I want to thank my parents, Annet and Stan. You stimulated me to be ambitious and take advantages of the opportunities offered to me. Furthermore, you have encouraged me to be who I choose to be. Most of all, I am grateful for your continuous and unconditional love and support.

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List of Abbreviations

General

2P	Two Parent Household
CARICOM	Caribbean Community
CARIFTA	Caribbean Free Trade Association
CBO	Community Based Organisation
CU	Credit Union
DFID	Department for International Development (United Kingdom)
FHH	Female Headed Household
GDP	Gross Domestic Product
GIS	Geographical Information Systems
GNP	Gross National Product
HBEA(s)	Home-Based Economic Activit(y)(ies)
HDI	Human Development Index
HH	Household
HP	Hire-purchase
IADB	Inter-American Development Bank
IMF	International Monetary Fund
MFI	Micro-finance Institution
MHH	Male Headed Household
NGO	Non-Governmental Organisation
NIE	New Institutional Economy
ROSCA	Rotating Saving and Credit Association
SAP	Structural Adjustment Programme
UNCHS	United Nations Centre for Human Settlements (UN-Habitat)

Suriname

ABS	Algemeen Bureau voor de Statistiek (Central Statistical Office)
HAVO	Hoger Algemeen Voortgezet Onderwijs (Senior High School-2 years)
LBGO	Lager Beroeps Gericht Onderwijs (Junior High School-Vocational stream)
MOP	Meerjaren Ontwikkelingsplan (Multiple Years Development Plan)
MULO	Meer Uitgebreid Lager Onderwijs (Junior High School-Academic Stream)
NDP	Nationale Democratische Partij
NPS	Nationale Partij Suriname
NVB	Nationale Vrouwenbeweging (National Women's Movement)
PL	Pertjaha Luhur
SAO	Stichting Arbeidsmobilisatie en ontwikkeling (Foundation for Development and Mobilisation of Labour
SFL/SGL	Suriname Florin/Guilder (until 2004) SGL1000=SR$ 1
SPWE	Stichting Productieve Werkeenheden (Foundation for Productive Activities)
SR$/SRD	Suriname Dollar

VHP	Vooruitstrevende Hervormingspartij
VOJ	Voortgezet Onderwijs Junioren (Junior High School)
VOS	Voortgezet Onderwijs Senioren (Senior High School)
VWO	Voorbereidend Wetenschappelijk Onderwijs (Senior High School-3 years)
WBG	Women's Business Group

Trinidad and Tobago

BDC	Business Development Company
CAPE	Caribbean Advanced Proficiency Examination
CEPEP	Community-based Environmental Protection Enhancement Programme
CONSTATT	College of Science, Technology and Applied Arts of Trinidad & Tobago
CSEC	Secondary Examinations Certificate
CSO	Central Statistical Office
CXC	Caribbean Examinations Council (CXC)
ECCL	Export Centre's Company Limited
ECIAF	Eastern Caribbean Institute of Agriculture and Forestry
GCE-A	General Certificate of Education-Advanced Level
HYPE	Helping Youth Prepare for Employment
IRD	Inland Revenue Department
MEL	Micro-Enterprise Loan Facility
MuST	Multi-Sector Skills Training Programme
NAR	National Alliance for Reconstruction
NEDCO	National Entrepreneurship Development Company Ltd.
PNM	People's National Movement
SEA	Secondary Entrance Assessment
SERVOL	Service Volunteered for All
TT$	Trinidad and Tobago Dollar
TTHI	Trinidad and Tobago Hospitality Institute
UNC	United National Congress
URP	Unemployment Relief Programme
YTEPP	Youth Training and Employment Partnership Programme

1

INTRODUCTION

'Life is one big road with lots of signs. So when you riding through the ruts, don't complicate your mind. Flee from hate, mischief and jealousy. Don't bury your thoughts, put your vision to reality. Wake Up and Live!' - Bob Marley-

Anyone who has lived in or wandered around lower income areas in a city in 'the (economic) South' has surely encountered the topic of this study. You may have stayed next to a car or bicycle maintenance workshop or seen barbers working under a mango tree. Many of you will have been tempted to buy a soft drink from a small parlor or a home-made snack sold from a kitchen window. Through an opened door, you may have caught a glimpse of a seamstress working on a dress or a woman babysitting children. Activities such as these are abundant throughout cities in developing countries and play a role in the livelihoods of many households. The prime characteristic of the urban habitat in those countries therefore is that it encompasses reproductive, consumptive as well as income-generating activities. This also holds for Caribbean cities. Residential areas in cities such as Kingston (Jamaica), La Havana (Cuba), Port of Spain (Trinidad and Tobago), Paramaribo (Suriname) and Willemstad (Curaçao) are full of food producers, crafts men and women, and service providers.

Yet, few academic studies consider the phenomenon of the productive use of habitat and none of them focus on the Caribbean. Instead, urban poverty studies engage in either access to housing, living conditions, security of tenure or in economic, entrepreneurial activities undertaken by urban citizens.

Similarly, current poverty reduction and planning policies appear to overlook the connections between the productive and reproductive use of spaces and spheres.

The study presented here is about the productive use of habitat in the form of Home-Based Economic Activities (HBEAs) in Paramaribo (Suriname) and Port of Spain (Trinidad and Tobago). The aim is to examine the organisation of HBEAs, along with their role and function for the livelihoods, for a diverse group of households in low-income neighbourhoods within these Caribbean cities. Moreover, the aim is to reveal the relations between these aspects and their links and interactions with institutions, organisations and social relations. Such knowledge is important as it adds to a holistic understanding of urban livelihoods and the multiple functions of the habitat. In addition, the study contributes to the knowledge of interactions between households and institutions in organising livelihood activities. Such knowledge is vital to academics and policymakers in the field of poverty and development, as well as to urban planners.

Below, I introduce the background of this study and the central question posed. I introduce the region of the study, the Caribbean, in terms of poverty, development and urbanisation. Thereafter, the two cities this study focuses on will be introduced: Paramaribo and Port of Spain. The chapter concludes with an overview of the organisation of the book.

1.1 HBEAs in Current Academic and Policy Debates

The study of HBEAs builds on three ongoing developments in academic and policy circles. The first is the changing perceptions on poverty and the poor. Classic views narrowly perceived poverty as a lack of income, and poor people as a homogeneous group of rather passive victims. From the late 1990s alternative views have emerged, which acknowledge the complexity, dynamics and diversity of the poor and poverty. These views took an actor-oriented perspective and focused on the activities people undertake to sustain and change their lives in often difficult situations. The second development is the increased understanding among planners and housing specialists that habitat is more than a consumptive asset for reproductive and domestic purposes. It also provides a location for (income-generating) productive activities. What is more, such productive activities are strongly integrated spatially, socially and financially into the domestic and reproductive sphere of the household. Finally, the study emerged from current (neo-liberal) beliefs in development policies and action. Entrepreneurship is increasingly considered as an important tool in poverty reduction. Poor people, it is argued, should be stimulated to develop their entrepreneurial ambitions and nurture enterprise. Consequently, barriers constraining the emergence of such activities

should be removed. In practice this has resulted in an emphasis on the upgrading of skill-training and business support programmes for entrepreneurs, and on micro-credit.

Poverty Thinking

In recent times perceptions on poverty and the poor have changed. Conventional poverty thinking was, in the past, dominated by a view that poverty equals a lack of income. The related poverty indicators comprised of macro-level economic data and rather arbitrary poverty lines based on income or consumption (Moser 1998:3; Rakodi 2002; Verrest and Reddock 2004 (issued 2006)[1]).[2] These classical perceptions still exist today and remain fairly dominant within circles of classical economists and neo-liberalists. However, since the early 1990s these perceptions have been increasingly criticised by scholars such as Robert Chambers (with Conway 1991; 1995) and Amartya Sen (1981; 1985). A first critique of these traditional approaches concerns the lack of attention to other aspects of poverty in addition to shortage of income, such as inadequate housing, unhealthy living environments, lack of access to education and health care, as well as the exclusion from the political decision making processes. Second, conventional analyses of poverty were criticised for their narrow focus on the states of poverty and deprivation. They lacked attention to *processes* of impoverishment or increased welfare and social in- or exclusion, as well as for the factors realising these changes (Rakodi 2002; Krishna 2004). Finally, conventional poverty thinking failed to acknowledge the diversity in and unequal distribution of poverty over groups in society according to social characteristics such as gender, age, and ethnicity. The traditional poverty measurements presuppose allocation of income and consumption on altruistic principles, resulting in an equal distribution of the burden of poverty. However findings have shown that welfare outcomes are unequal and are the result of power relations rather than economic consensus (Kabeer 1994; Beall and Kanji 1999; Folbre 2001).

[1] The journal was issued in 2006 and was based on a seminar held in 2005. However, due to administrative considerations 2004 was chosen as year of publication for the issue.

[2] Poverty lines based on income and consumption consider the costs of a basic food basket and other necessities. Inaccuracies in these methods occur in partly monetized economies and economies where own production is consumed. Moreover these lines do not take differences between or within households in to consideration with regard to, for instance, necessary food intakes, non-food necessities or the level of access to public supplied goods. Finally poverty lines reflect the situation at a particular moment in time and do not capture processes of change (Rakodi 2002).

Hence alternative perceptions on poverty emerged particularly in sociological, anthropological and geographical debates. Current scholars are of the opinion that poverty consists of multiple and interacting economic, social, infrastructural and environmental factors and is embedded in complex local realities (Bebbington 1999; Ellis 2000; World Bank 2000b; Rakodi and Lloyd-Jones 2002; De Haan and Zoomers 2005). They put the complexity and dynamics of poverty at the centre of attention and increasingly focus on concepts that incorporate these issues, particularly deprivation and vulnerability. Deprivation occurs when people are unable to reach a certain level of functioning or capability (Rakodi 2002; Baud *et al* 2008). Lack of income or assets are features of deprivation, but the concept includes other aspects as well, for instance physical weakness, social subordination, rights and powerlessness, isolation and vulnerability (Sen 1999). Deprivation therefore grasps the complexity and the multidimensionality of poverty. Vulnerability captures the process of 'people moving in and out of poverty' (Lipton and Maxwell 1992 in Moser 1998:3). Vulnerability points at the insecurity and sensitivity of individuals, households and communities in the face of a continuously changing environment (i.e. political and social-economic shocks, natural disasters or long-term trends). Consequently, not all poor people are necessarily vulnerable and non-poor people may very well be vulnerable (Moser 1998:3).

Changes in perceptions of poverty have also changed the way 'the poor' are viewed. They are no longer seen as passive victims, but much more as individuals actively trying to influence their situation using multiple strategies (Allison and Ellis 2001; Rakodi 2002; De Haan and Zoomers 2005). Moser (1998:1) even speaks of poor people as 'managers of complex asset portfolios'. Consequently, perceptions and experiences of poor people have increasingly taken a central position in the discussions and analyses of poverty. In 2000, even the World Bank put the 'voices of the poor' centre stage in their *World Development Report* (2000b).

This increased attention paid to the perspectives of people, has also resulted in increasing acknowledgement of the diversity between poor households, for instance according to the gender of the head, stage in the life-cycle, ethnicity, household size and structure, amount of able-bodied members to non able-bodied members, and, within households, with regard to gender and age (Gonzáles de la Rocha 1994; Kabeer 1994; Beall and Kanji 1999).

Current discussions and research in the field of deprivation and vulnerability take place under the umbrella concept of livelihoods. Livelihoods are generally defined as 'comprising the assets, activities and

the access to these (mediated by institutional and social relations) that together determine the living gained by an individual or households' (Ellis 2000:10).[3] De Haan (2000:346) compares livelihoods with the French notion of *genre de vie*: 'A system of livelihood strategies of a human group in a specific region, emphasising the interaction between the society and the natural environment'. Households, individuals and communities develop livelihood strategies based on the human, social, natural, financial, productive and political assets available and accessible to them, as well as the livelihood opportunities that they can mobilise. Most households develop a mixture of strategies that consist of productive and reproductive activities, borrowings and savings, and social networks. They adjust these to their own circumstances e.g. perceptions, age, stage in life-cycle, skills and education etc. (Farrington *et al* 2002:V; Rakodi 2002). These strategies are drawn on with the aim of recovering from stress or shocks, maintaining or enhancing assets or capabilities, or providing a sustainable livelihoods.

Early livelihoods studies focused mostly on the agency of individuals, households and communities in shaping their lives. This was a reaction to the 'structuralist thinking' that dominated the 1980s. The term agency refers to people's ability to promote or accommodate change in their lives (Baud and Post 2002). The impact of structural forces on the access and mobilisation of assets in livelihoods received less attention. Agency is only one side of the story though. Individuals and households do not operate in a vacuum and existing structures do affect the access, control and use of their assets (De Haan 2000). More recent livelihood studies have therefore called for more attention to access to assets and the 'mediating processes' affecting both the access to assets as well as opportunities to transform these assets into activities and opportunities. Hence, in recent studies on livelihoods the focus has been on concepts such as institutions, processes and power (Bebbington 1999:2022; Leach *et al* 1999:226; Ellis 2000:40; Allison and Ellis 2001; Farrington *et al* 2002:30; Rakodi 2002:12). However, as De Haan and Zoomers (2005:33) correctly state, the tendency to focus on assets and livelihood activities in actual livelihoods studies remains and such structural forces are neglected.

A critique of the livelihoods approach related to this is that the focus is too narrowly on what people have instead of what people need. This entails a risk of overlooking those people that have nothing (Rakodi 2002). Moreover, there is a tendency to romanticise the lives of poor people as dynamic and flexible, adjusting to changing circumstances and

[3] Similarly defined in Scoones (1998), Ashley and Carney (1999), Chambers (1995), Moser (1998), Beall and Kanji (1999) and Bebbington (1999).

options. Many of them do not choose between sets of alternative viable strategies but only have one or two not so viable options to choose from. These may decrease their future livelihood possibilities. It is exactly this lack of alternative options that characterises their deprivation. In addition, poor people's opportunities in particular are shaped and constrained by structural forces. Ignoring those structural forces, presents an unreal picture.

Positioning the Livelihoods Debate

The origin and development of the livelihood approaches has strong linkages with discussions in the structure/agency debates. Particularly relevant is Giddens' notion of the duality of structure, which is explained in his theory of structuration (as discussed in Sewell 1992). The structure-deterministic perceptions of the 1960s and 1970s explained aspects, changes and appearances of social life from all-governing rigid structures. These views are closely related to early perceptions of poverty that saw poverty and poor people as passive victims of structures keeping them down. The subsequently emerging voluntaristic approaches focused on human agency and saw human action as the prime force shaping social life. The strong actor-oriented approaches towards poverty formed the start of the livelihoods approach and led to the initial focus on assets and poor people' s agency to be able to make a living. More recent views that perceive livelihoods as a result of both agency and structures confirm conceptualisations by Giddens who saw structure as both shaping and being shaped by human action (Sewell 1992).

The environment/entitlements-debate is another academic field where interactions between households and institutions are discussed (cf. Leach *et al* 1999). The endowment-entitlement framework has first been developed by Sen (1981; 1985) but has been subsequently elaborated and refined by many other scholars (De Haan and Zoomers 2005) such as Leach *et al* (1999) who work in the field of environmental management. Amartya Sen (1985) used this framework to explain how it was possible that people could be dying of hunger amidst an abundance of food. He claimed that the problem was not caused by a shortage of food but a lack of *access* to food. In their article of 1999, Leach *et al* used and developed Sen's work into their widely appreciated Environmental Entitlements Framework. This framework puts the *process* through which endowments (similar to assets) are accessed and transformed into entitlements (activities and outcomes) at the core of the debate. Sen referred to this as 'entitlement mapping'. Leach *et al* (1999) call for a prominent place of endowment and entitlement mapping in the livelihoods framework. Relations between institutions and households are at play in these mapping processes.

Institutional economics focuses on the role of institutions in economic behaviour. The New Institutional Economy (NIE) argues against the belief in neo-classical economics that the economy is institution-free. People in this school, such as Douglas North, state that the grounds for this institution-free thinking (i.e. everybody has the same information and the same world map and makes rational choices) are false, and that transaction costs exist. Institutions play a role as means to reduce transaction costs (North 1997). The lack of attention to institutions would also explain why market failure in developing countries occurs. Projected onto the livelihoods debate, institutional economics would point at the set of rules and regulations that govern the actual mobilisation of assets in the pursuit of livelihoods (or turning endowments into entitlements), sometimes opening opportunities and sometimes constraining these.

The livelihoods approach has not only influenced debates on vulnerability and deprivation but has also strongly affected methodological and policy approaches towards poverty. Rakodi (2002:18-19) and Farrington *et al* (2002:1) argue that the livelihoods approach is people-centred and is holistic, dynamic, sustainable, differentiated, conducted in partnership, responsive, and participatory. It has strongly influenced development policy from the late 1990s, especially in the United Kingdom where the Department for International Development (DFID) has based their policies on the livelihoods approach (DFID 2002).[4]

Urban Livelihoods

Initially, the livelihoods approach built on the analysis of the lives of rural households and communities, and emphasised the role and importance of natural capital for rural residents (Bebbington 1999; Satterthwaite and Tacoli 2002). Yet, the rural origin of the livelihoods approach does not make it unsuitable for an urban application. Assets, access, activities, institutions and vulnerabilities are also crucial for analysing and understanding urban deprivation and urban livelihoods. Nevertheless, specific urban characteristics, e.g. the dependency on cash for a large range of expenses, do affect the livelihood opportunities of people in urbanised settlements. Therefore an urban livelihoods approach is justified. The need for such an approach becomes increasingly pressing as the urban population in 'developing countries', particularly in sub-Sahara Africa and Asia, is growing fast and outnumbers the rural population in more and more countries. Moreover, small cities of less than 500,000 people especially, grow rapidly (Rakodi 2002; World Bank 2007b; UNFPA 2007).

[4] See for instance www.livelihoods.org.

Key institutions and organisations that exist in urban areas include for instance: support programmes for livelihoods activities; health care and sanitation; tenure, and shelter policies and arrangements; spatial planning; local governance/government; community development; and conditions on the economic and labour market (Rakodi 2002; Meikle 2002). Urban areas usually have a larger number of such institutions than rural areas. The question remains though to what extent low-income households have access to these organisations and how important they are for their livelihoods? Similar to rural citizens, urban residents mobilise their assets during their livelihood activities. The livelihood strategies of poor urban households consist primarily of labour-related activities but also include migration, remittances, informal credit arrangements and support networks.

Urban labour is a well-researched topic. From the 1970s, until well into the 1980s the informality of many labour activities and enterprises has been centre stage in such studies (cf. Hart 1973; Portes and Schauffler 1993). They concentrated on linkages between the formal and informal sector, income, working conditions, skills, credit, informality and the role of women. Thereafter, urban labour and income-generation was more widely discussed from a broader livelihoods perspective, focusing on assets facilitating access to the labour market and other forms of income generation. In current studies on urban livelihoods, the focus is primarily on the role of labour activities, human and social assets. Moser (1998) found that productive use of a house is, after labour, the most important asset for urban people. Mobilising its productivity, through operating a business from the house or renting out rooms to people, is a vital livelihood strategy for urban people, contributing substantially to their income. Literature confirms this finding (cf. Beall and Kanji 1999:1, Farrington *et al* 2002:22) but is rather silent on the ways urban people can mobilise this asset and its value for their well-being.

Productive Use of Habitat: Different Visions

Within the discussions on urban poverty, considerable attention has been given to issues of housing, shelter, habitat and liveability. The poor quality of houses and living areas of poor people in quickly urbanised cities has become one of the most visible aspects of urban poverty. Debates on housing and habitat have centred on questions of improving quality and availability of low-cost housing, as well as tenure security. Urban governance and more specifically the role and relations among different actors possibly involved in the process of providing habitat and realising secure tenure have been the main focus of attention in the discussions (cf. Baud and Post 2002). Although ideas underpinning this debate have changed, until recently notions on the function of habitat have been static.

Habitat has been viewed primarily from the perspective of reproduction, as 'consumption good' (cf. UNCHS website 2007). Habitat was primarily viewed as a 'basic need', necessary to provide households and individuals with healthy and safe environments, among others, to secure reproduction. A house, meeting basic building criteria, with access to basic services, such as clean water and sanitation, was seen as a necessary material cost for poor households to 'survive'. The limited availability of and lack of access to land and suitable housing excluded many urban residents, especially the poor, from this basic need and confined their housing opportunities to low-quality houses on inadequate and often illegal sites in the city (cf. UNCHS website 2007). Also in Caribbean studies on habitat the focus has been on tenure, governance and the consumptive role of habitat (cf. Potter and O'Flaherty 1995; Mohammed 1997; Potter and Conway 1997; Potter 2000; Williams 2003).

Yet, in many parts of the world habitat is also used for economic activities (Strassman 1987; Gilbert 1988; Kellett and Tipple 2000). Lack of access to habitat is then considered a situation of extreme vulnerability, while appropriate and secure habitat provides more than shelter to ensure wellbeing (Beall and Kanji 1999; Moser 1998; Gilbert 1988). Perceptions of the value of HBEAs are mixed. On the one hand there is appreciation of the potential of HBEAs in poverty reduction and providing economic opportunities for the urban poor that correspond to their needs and possibilities (Moser 1998; Ghafur 2000; Tipple 2006). Other views however, reject this appreciation and stress the illegality and hidden nature of HBEAs. They also emphasise that HBEAs do not live up to standards of employment, environmental sustainability and safety, and they compete with regular businesses in an unfair manner by escaping taxation and licensing (Strassman 1987; Kellett and Tipple 2000; Tipple 2006). Within discussions on urban livelihoods, productive use of habitat is positively valued as it provides economic opportunities for the urban poor that correspond to their needs and possibilities. This distinction is very much related to the dual vision of informal sector activities. Traditional visions stress its self-exploiting and exclusive character whereas recent theories stress its potential and entrepreneurial character (Portes and Itzigsohn 1997; Sookram and Watson 2007; Portes and Schauffler 1993).

Kellett and Tipple (2000) argue against the implicit belief in urban studies that a natural and appropriate separation exists between domestic and economic tasks. Such a belief prohibits proper understanding of the meaning of home. Working in the home was the norm in pre-industrial society and continues to be so in many of today's developing countries. Feminist researchers, e.g. Barriteau (2000: 168-169), also argued against the idea that the home is used for consumptive domestic tasks and that

productive activities take place in the public domain. First of all, such a perception views care and domestic activities as not productive and as such devaluates the work of many people, mainly women, to economically unimportant activities (cf. Kabeer 1994). Second it ignores the existence of economic activities that take place in the home.

Kellett and Tipple (2000) argue that even the most superficial look at small economic activities today reveals the *extended fungibility* of time, space and money between economic and domestic spheres (Lipton 1980 in Kellett and Tipple 2000). An entrepreneur lives with her family behind a shop, prepares supper while she waits for customers and gives her son money from the cashier to pay for his transport to go to school. This means that the operation of the activities is socially, financially and spatially integrated in households' private lives (Strassman 1987:122; Kellett and Tipple 2000). Domestic resources are converted into economic resources and vice versa. This is crucial for the survival and profitability of HBEAs. Moreover, this possibility to easily convert, for instance labour, space and funds from one use to the other, is what makes HBEAs an attractive strategy to turn to (Strassman 1987:125-126).

In current studies on HBEAs such integrated approaches are scarce. Studies on HBEAs are spread over three academic fields. In the informal sector domain, studies such as those by Strassman (1987), Afrane (2000). Mahmud (2003) and Tipple (2005b; 2006) focus on the operational practises of HBEAs, the linkages with the formal sector, and the economic results these activities yield. These studies pay considerable attention to spatial use and most studies discuss business characteristics and not household characteristics (Sinai 1998). Close relations exist with general informal sector studies (cf. Portes and Schauffler 1993).

Urban planning studies on HBEAs on the other hand, discuss the effects of HBEAs for urban planning and the other way around of urban planning on HBEAs, including issues of tenure and sometimes local governance (Tipple 2000; Gough *et al* 2003; Tipple 2004). Furthermore, urban planning discusses issues of locational strengths and weaknesses, such as proximity related aspects and the type of neighbourhood. Finally, within the field of urban livelihoods, the possible importance of HBEAs is increasingly acknowledged (Beall and Kanji 1999) but not much attention has been paid to examining the organisation of HBEAs and their role in urban livelihoods.

A final body of interesting literature for this research is that on ethnic entrepreneurship, which promotes the notion of mixed embeddedness (cf. Kloosterman *et al* 1999; Kloosterman and Rath 2001). This literature

points to the fact that agency and structure go hand-in-hand in affecting entrepreneurs' opportunities. This approach takes into account 'the wider societal context in which immigrant entrepreneurs start their business' (Kloosterman and Rath 2003). The national institutional framework is positioned centrally, as a means to be able to analyse entrepreneurial developments in regions with different institutional contexts.

Poverty Action: Entrepreneurship and Micro-Finance

The last development that coincided with this study is the increased attention that (micro-) entrepreneurship receives in policy debates. Current policies on poverty reduction and development emphasise the importance of entrepreneurship in reaching targets (Rahman 2004:31; Simons 1995). Current development thinking is increasingly shaped by neo-liberal beliefs that the private sector is the main engine for economic growth, that market led growth fosters the best results and that the role of the state should be reduced to that of facilitator of private sector developments (World Bank 2004; Antrobus 2005; Verrest and Reddock 2004 (issued 2006)). Part of this belief is that people's economic self-reliance and independence should be stimulated.

Entrepreneurship is expected to create economic growth, provide affordable products and services and, in the formal sector, government revenues (World Bank 2004). Most of all though, enterprises, and particularly those of micro-, small- and medium-size, are important providers of employment (World Bank 2004; Angelelli *et al* 2006; DFID 2005). Whereas small and medium sized enterprises employ people, micro-enterprises create opportunities for self-employment and are considered an important way out of poverty (World Bank 2000b). Consequently, in poverty reduction, self-employed workers in the informal sector have increasingly been targeted as micro-entrepreneurs (Portes and Itzigsohn 1997).

Much of the discussion centres on the question of how micro-enterprises develop into fully-fledged (micro-versions) of classical enterprises and provide a sustainable income for their operators. Such policies perceive poor micro-entrepreneurs as vulnerable and less trained yet classic entrepreneurs who look for innovation, growth and profit. Specific problems and issues for this group are addressed, such as their lack of access to financial services, markets, technical and business skills and their informal character. Consequently a range of policies and projects has been developed to support the development and opportunities of micro-enterprises. For example, the *World Development Report 2005* subscribes to the realisation of an investment climate in which 'firms and entrepreneurs of all types (…) have opportunities and incentives to contribute to growth

and poverty reduction' (World Bank 2004:xiii). Creating access to financial services for the poor particularly has received much attention from national and international organisations such as the World Bank, United Nations, DFID and OXFAM.

In the course of this research (2002-2007) the attention paid to micro-finance has grown enormously. The year 2005 was designated The Year of Micro-finance by the United Nations (cf. United Nations 2004b). In 2006, Mohammed Yunus, the founder of the Grameen Bank, won the Nobel Prize for Peace. These events followed years of increasing belief that part of the solution for poverty reduction lay in the provision of adequate financial services for the poor (Rahman 2004:31; Chatterjee 2001). Before the 1970s formal financial institutions were disinterested in provision of services to low-income groups. Within these groups, collateral was lacking, incomes were low and irregular, making servicing these people costly and risky. From the 1970s (formal) micro-finance institutions for low-income groups took off and their success showed that poor people are able to save, borrow and repay loans (Lont and Hospes 2004:3).

Today, many organisations that aim at development and poverty reduction have embraced micro-finance and particularly micro- credit as the solution to poverty. It is considered the most important tool that people can use to move out of poverty. Micro-finance, it is argued, can provide opportunities for vulnerable groups to develop their ambitions, to invest in assets and gain economic, social and political standing. Hence, it can be the tool for transforming them from being vulnerable and dependent citizens to being self-reliant and independent people with increased livelihood opportunities (cf. Yunus 1999; United Nations 2004a).

The crowd supporting micro-finance is large and loud making it difficult to hear critical remarks. First of all critiques state that many micro-finance organisations focus on provision of credit and lack other services, such as savings or insurance. Much of the celebrated successes of micro-finance are based on loan repayment, i.e. reflecting institutional performance and not its impact on clients. Furthermore, it is stated that micro-finance does not reach the poorest and therefore is not the most successful tool in reducing poverty. Rahman (2004) analyses the results of various studies on the impact of micro-finance to conclude that impacts are small and not significant or even negative. Negative results are related to the increased debt situation some households find themselves in after using micro-finance. In aiming at high repayment rates, (group) pressure to repay may be fierce, which decreases empowerment and increases violence.

A common characteristic of both informal sector studies and micro-credit policies is their focus on what the small entrepreneur lacks; something that can be corrected by creating the appropriate institutions. They do not call into question the nature of capitalist economies where the interests of those who own capital are to maximize their returns on their assets. Furthermore, they are supply driven and simply assume a demand for micro-credit to exist, while entrepreneurs may have good reasons not to borrow. This study takes a critical perspective towards these current developments. It asks the question if micro-entrepreneurship is the pathway out of poverty and if so for whom. Moreover, it discusses the potential and relevance of micro-finance institutions for HBEA-operators in low-income areas in two Caribbean cities.

1.2 The Caribbean

The study was carried out in two Caribbean cities: Paramaribo and Port of Spain. Research in this region is particularly relevant for two reasons: it is a highly urbanised region and it has felt the full force of globalisation processes, notably through its dependence on the export of primary products and the development of Caribbean diasporas (Portes *et al* 1997; Tang Nain 1997). Globalisation as a process 'of increasing free flow of people, finance, services, products, technology, images and ideas across national borders' has impacted on the Caribbean from the era of slavery onwards (Reddock 2004). Today's globalisation, particularly in the economic sense, is shaped by neo-liberalist ideas and centres on trade liberalisation and competitiveness without considering the social, historical absence of a 'level playing field' (ibid.) For the Caribbean this has impacted heavily on agricultural sector and local manufacturing industry, changing labour opportunities. Moreover it has changed consumption patterns and induced migration. Therefore, a thorough understanding of *Caribbean* urban livelihoods, deprivation and vulnerability on the one hand, and how institutional processes impact on this on the other hand, is needed. Yet, studies regarding urban development in the Caribbean are limited and the ones focussing on urban livelihoods scarce. HBEAs as such have not been studied in the Caribbean.

A prime characteristic of the Caribbean is its diversity. Caribbean countries vary in terms of ethnic population composition, and political, bio-physical, social and economic characteristics (Portes *et al* 1997). Yet, the region shares many common features as well. As Jaffe (2006:1) points out, the region is characterised by 'unity and diversity, heterogeneity and homogeneity'. A common historical path of colonisation, (proto)-globalisation, slavery and independence has shaped and reshaped every feature of the region, ranging from its population composition, pattern of settlement to its economic structure, dominant language and international

linkages, and the shape of its cities (Jaffe *et al* 2007). They are situated in the backyards of the 'developed world' with which they have a set of economic, cultural and social relations, shaped at the level of state, firms, social networks, and households (De Bruijne and Schalkwijk 1997; Potter 2000).

Map 1.1: The Caribbean

Drawing a strict boundary around the Caribbean region is not possible. Definitions vary considerably and may be based on 'language, identity, geography, history and culture, geopolitics and geo-economics, or organisation' (Girvan 2005b:305). Some definitions focus only on the smaller islands (mainly the English speaking), whilst others include all islands and others extend this with the main land states entering the Caribbean Sea or even the Diaspora communities (Jaffe *et al* 2007).

Caribbean Economies

Since the 'discovery of the New World' Caribbean economies have always developed linked to the rest of the world. During the colonisation period the countries were plantation economies, producing agricultural products for foreign markets (Beckford 1972). Most countries have shifted away from this pure plantation based agriculture in the 20th Century. Yet, their reliance on external markets and economies has not disappeared. Many Caribbean economies depend heavily on one or two economic sectors, which are vulnerable to volatility on the world market. These can be agricultural crops (e.g. bananas), minerals and natural resources (e.g. bauxite, oil) or tourism. Moreover, Caribbean economies rely profoundly

on the import of goods for local production and consumption. Trade liberalisation increasingly limits opportunities for Caribbean countries to protect local markets and production. The small domestic markets and relative isolation of the countries have constrained large-scale industrialisation. Yet, large-scale 'industrialisation by invitation', developed by Lewis, has been an economic strategy in the post-World War II Caribbean. Various theoretical approaches have been developed to understand the Caribbean economy (cf. St Cyr 1993, for an overview). In the 1970s and 1980s the critical Plantation Economy School (including scholars such as Levitt, Beckford and Girvan) represented a Caribbean version of the Dependencia scholars which argued that the plantation organisation structures continue to shape current Caribbean economies and explains why economic and trade arrangements remained inequitable (cf. Levitt and Witter 1996; Verrest and Reddock 2004 (issued 2006)).

After a period of relative economic growth from the 1950s to 1980, Caribbean economies experienced a severe crisis throughout the 1980s (Safa 1995). This crisis varied among countries but was characterised by high external debt, a decline in GNP, increase in unemployment and a decline of real wages (Safa and Antrobus 1992). A sharp increase in poverty and inequality was the result. Structural Adjustment Programmes (SAPs) were implemented throughout the region (Levitt 2005). These entailed a reduction of government policies, devaluation of currencies and the like. The poor, women especially, were hit hardest by these programmes (cf. Tang Nain 1997; Buvinic 1996). Recent studies regarding livelihood strategies in the Caribbean stress the influence of the economic crisis and resulting SAP on the livelihood strategies of households (Kromhout 2000; De Bruijne 2001; Safa and Antrobus 1992). In addition, the focus within these studies is on intra household relationships (particularly based on gender) and the unequal access of women and women-headed households to resources and assets (Momsen 1993; Safa 1995). Moreover, the focus has been on survival strategies, such as an increase in the number of women in the labour force, particularly in the informal sector, intensification of household survival strategies, and international migration (Safa and Antrobus 1992).

The informal economy makes up a substantial part of the Caribbean economy and this has most likely grown as a result of the economic crisis (Jaffe 2006; Dodman 2007; Lloyd-Evans and Potter 2002). Yet, based on their case studies in various Caribbean countries Portes and Itzigsohn (1997) claim that the complexity and plurality of the informal sector is large, depending on local and international political, economic and social 'situations'.

Despite common features, processes of economic globalisation and local accommodation have produced different outcomes throughout the region. For a socio-economic analysis Girvan (2005b:309) distinguished between four subgroups: the larger island states (Cuba, Dominican Republic, Haiti and Jamaica), smaller island states (nine, including Trinidad and Tobago); mainland states (Guyana, Belize and Suriname) and dependent territories (twelve, dependent from the United States, United Kingdom, France and The Netherlands). He found distinct differences between the localities in each subgroup. The large island states and the mainland states are relatively poorer than the small island territories, although their economies are also vulnerable.

This variation also holds true for the capitals of Suriname and Trinidad and Tobago, Paramaribo and Port of Spain. Though similarities exist in the social, cultural and economic history of Suriname and Trinidad and Tobago, today's societies differ. From the 1980s until the early 1990s they face similar economic difficulties but while Suriname has suffered a continuous economic decline until 2000, Trinidad and Tobago's economy has grown steadily since 1994 resulting in increased real incomes and declining unemployment rates. It is possible therefore, to compare contrasting interactions between households and institutions in diverse Southern economic contexts, and their effects on the livelihoods of households in both cities.

Caribbean Households

Within livelihoods studies, the household is an important unit of analysis. Moreover, this approach aims to address diversity between households in livelihood opportunities, constraints, and perceptions. The concept of household and family has been much debated. Conventional concepts on the households were based on the classical Western stereotype, a nuclear household headed by two parents, of which the members related through marriage or kinship. Many households in non-Western societies, and increasingly in Western societies as well, differ from this model (Stuart 1996).

This is particularly true for the Caribbean where many household forms coexist. First of all, many households in the Caribbean contain members unrelated by kinship or marriage (Senior 1991). This means that conceptually speaking family and household need to be separated (Smith 1978). Further, the composition of many households in the Caribbean deviates from the classic Western type. Nuclear households are extended vertically or horizontally into so-called extended families. Most characteristically of the Caribbean households is the matrifocal structure and the wide incidence of single parent (mostly female-headed)

households (Chant and Campling 1997; Chant 2002).[5] A final shortcoming of classical views on households is that these exclude people that have migrated elsewhere (either on a temporary or more permanent basis) but are still socially and economically strongly connected to their original household. In the Caribbean context migration still is a very important factor structuring social and economic life from the micro-level of households to the macro-level of states (Ho 1999).

The distinctive family and household patterns in the Caribbean, particularly the matrifocal structure and low incidence of 'marriage', have been part of several debates from the 1940s onwards (cf. Craig 1979; Smith 1978; Barrow 2001). Various explanatory frameworks have been developed to explain the distinct family and household pattern in the Caribbean. Barrow (2001) distinguishes between historical, functionalist and ideological/cultural explanations. At first the distinct patterns were explained from the historical origin of the majority of the population, i.e. Africa. Thereafter, from the mid 1950s, functionalist explanations emerged. These explained family and household patterns as a response to changing socio-economic conditions. Until the late 1960s these functionalist explanations idealised the classic nuclear households and considered the Caribbean types incomplete or dysfunctional. From the 1970s these family patterns were considered more positively as adaptive mechanisms. Yet, the general weakness of this approach is the lack of cultural and historical explanations and the inability to explain distinctions between Creole/African and Indo-Caribbean family patterns.[6] Most

5 Matrifocal is used here as defined by Smith (1986) (in Ho 1999:36). It relates to close emotional ties between mothers and children and the emergence of strongly bonded clusters of female kin (Smith, 1996: 42-45 in Ho 1999:36). Therefore, it is not the same as female-headedness but relates to patterns of relationships within the household (ibid.).

6 Trinidad and Tobago and Suriname use different terms to refer to specific ethnic groups. In Trinidad and Tobago descendents of African slavery (and in some cases to indentured labourers) are referred to as 'people of African descent' (Reddock 1994:9). In Suriname, the term Creole is used to refer to people of African descent except for the group of Marrons (in English Maroons). This is a separate group of descendents of slaves who escaped from plantations and settled in the interior. In Trinidad and Tobago British-Indian immigrants/indentured labourers are referred to as East Indians, of East Indian descent, or Indo-Trinidadians (Reddock 1994:9). They arrived between 1844 and 1917 (Brereton 1981). Hindustani is used in Suriname to refer to British-Indian migrants who arrived in Suriname between 1873 and 1916. This term does not refer to a religious affiliation but to an ethnic background. The majority of Hindustani in Suriname is Hindu but a substantial group is Muslim and a minor group is Christian. See chapter 3 for an elaboration on the histories for each country.

recently a post modernist stance has emerged, which explains family and household patterns in terms of ideology and culture. It claims that the fundamental principles of the Afro-Caribbean family system, i.e matrifocality and extensive kinship networks, and the Indian Caribbean patriarchal family have long existed, are Caribbean, and have not been changed by economic developments (Reddock 1994; Barrow 2001). Stuart (1996:29) argues that the Caribbean family emerged in 'response to historical, economic and social forces … according to what people have found functional to their needs'.

Caribbean Cities

The Caribbean is a highly urbanised region. Recent World Bank data (2004) estimate the urban population in the Caribbean at 77 percent and growing. This makes the Caribbean the most urbanised region of the world (Potter 2000; World Bank 2004). With exceptions, such as Jamaica's Kingston and Cuba's La Havana, Caribbean cities and capitals are relatively small and do not exceed 250,000 inhabitants.

Caribbean cities developed as the result of historical and economic factors. They started off as main settlements for colonial traders. These 'plantation' cities were relatively small and were inhabited by different ethnic-cultural groups. They were the prime locations of trade, service and political decision making and formed the nodes in links between the colony and the outer world. Plantations were functioning relatively independent from the cities. Potter (with O'Flaherty 1995; 2000) describes the development of the original Caribbean city into the modern mini-metropolitan regions. This development process is captured in the Plantopolis model that was originally developed by Rojas (1989) but further extended and revised by Potter. After Emancipation various rural communities were established that provided labour to the plantations. Yet, the function of the capital city remained. From the 1950s, the dominance of the capital city further increased and so-called mini-metropolitan regions emerged throughout the Caribbean. This was the result of 'twin push of rural poverty and the pull of social-economic opportunities in urban areas' (Potter 1993:2). However, industry has always never played an important role in the development of Caribbean cities (ibid.). These mini-metropolitan regions contain the majority of the population, have the main political and economic functions and are the prime nodes through which interaction with other nodes in and outside the country are shaped (Potter 2000: Jaffe *et al* 2007). Hence, Caribbean cities are primate cities. Potter's model does not include urban developments in the post modern era. Jaffe *et al* (2007) and Portes *et al* (1997) for example question whether the development of Export Processing and Free Trade Zones and alternative tourism locations may alter this primacy.

Caribbean cities are internally fragmented. Colonial city centres have developed formally and were planned by colonial governments (Mohammed 2007). Post-Emancipation physical developments have been largely informal and unplanned, and current expansion and planning is based on private development of US-style suburban neighbourhoods (Potter 1993; Jaffe *et al* 2007). Paramaribo and Port of Spain are clear examples of Caribbean cities. The next chapter elaborates further on the choice for these cities but an introduction to their features is presented here.

Paramaribo

Paramaribo is situated about twenty kilometres from the mouth of the Suriname River. When the Dutch took possession of Suriname in 1667, Paramaribo was already an important centre in the colony (Van Lier 1971). Paramaribo's strategic location along a deep section of the river determined its suitablity as a harbour and thus an important node in the flows of goods and people coming in and out of Suriname. Still today, Paramaribo is the main political, economic, social, administrative, and residential centre of the country. In addition, Paramaribo connects Suriname to the outside world. Various initiatives for administrative decentralisation to the districts have been taken but have not yielded any significant results. Despite the fact that bauxite mines are exploited about 60 kilometres south of Paramaribo, its main economic profits are distributed via Paramaribo. Nowadays trading, especially the import of goods, predominantly takes place in the city. Other than the economic and administrative importance of the city, it is also the main residential area and provides accommodation for two-thirds of Suriname's population.

Soon after its establishment, Paramaribo developed into a cosmopolitan town. Other than colonial administrators many planters lived there. They had economic motives but also preferred the exciting social life in Paramaribo over that on the plantations. These planters brought their slaves with them who soon formed a substantial part of the city's population. Finally, Paramaribo provided the living environment for a (fast growing) group of free black and coloured inhabitants (De Bruijne 1976:232-235). In 1850, there were close to 17,000 people living in Paramaribo. Only one fifth of the population was white at that time (ibid.) but more than 80 percent were free. In those days, the elite occupied the big, wooden townhouses that characterise the image of the city centre even today. Their slaves lived in small shacks at the back of these houses. Some of these so called *erfwoningen* still exist, in a depilated condition and are lived in by the very poor. The lower class residents in 19th Century Paramaribo set up their housing in the narrower streets in the city centre (De Bruijne and Schalkwijk 2007).

After Emancipation in 1863, the population of Paramaribo grew steadily. This was the result of an influx of freed slaves who left the plantations en masse. Some of them first worked in agriculture on small holdings in the rural coastal areas but when agricultural opportunities became less profitable they chose to go to Paramaribo. Others went directly, eager to leave the lives they lived as slaves. These freed slaves settled in the fringes of the town (Van Lier 1971). As De Bruijne (1976), mentions the pattern in those days was clear: the rich lived in the city centre and the poor on the fringes.

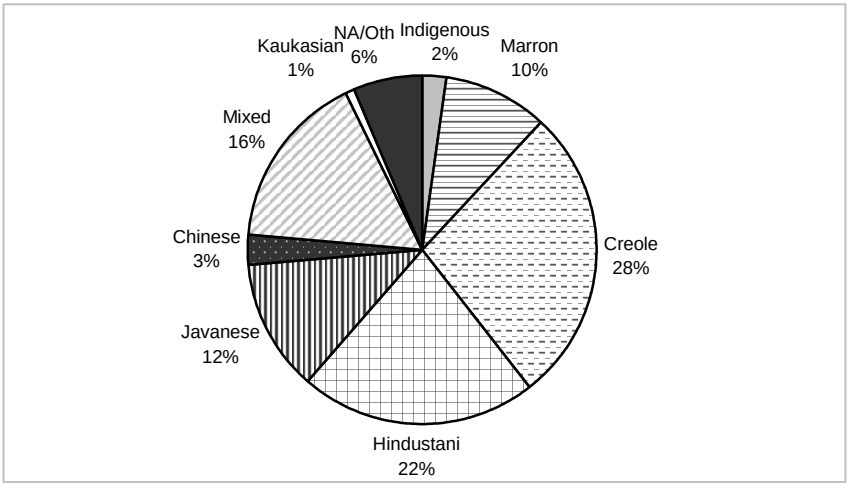
From the early 20th Century, the Hindustani and Javanese population began moving to the capital city.[7] Some urbanised communities became incorporated into Greater Paramaribo, but others moved to the city in search for new employment opportunities and schooling for their children (De Bruijne and Schalkwijk 2007). The new groups lived in the urban fringes, except for a few traders who moved into the centre. Throughout the historical development of Paramaribo, ethnic residential patterns have been explained by time of arrival in the city, labour specialisation, and social-economic status (ibid.).

After the Second World War, the population of Paramaribo doubled in less than 25 years from 152,000 to 298,000 (cf. De Bruijne 1976:297). Expanding government and private sector activities demanded more inner-city space. As a result, from 1950 suburbanisation took place on a large scale. This suburbanisation was mostly carried out by the private sector. The developers acquired land from farmers, subdivided it and sold parcels with amenity access to individuals. The government took it as their duty to provide housing for low-income groups in the form of social housing projects. As De Bruijne (1976; 2001) and Schalkwijk and De Bruijne (1999; 2007) describe, the suburbanisation pattern was very much based on social-economic status. The large agricultural estates in the North and West, provided high-quality, large plots to mostly wealthy classes. Landowners in the south of the city possessed small pieces of low-lying land that were accessible to poorer groups. Thus, a residential pattern developed with a city centre without a strong residential function surrounded by old low-income neighbourhoods. To the North and West, middle-class and elite areas came into existence, whereas working and low-class developments took the Southern direction.

[7] The Javanese arrived in Suriname from Indonesia between 1891 and 1931 (De Waal Malefijt 1963). No Indonesian immigrants have settled in Trinidad and Tobago.

The historical picture described above suggests that Paramaribo is a multi-ethnic city. Other ethnic groups moving to the city after 1980 further confirm this. Marrons came in search of employment opportunities but later, when a civil war raged in the interior, they came together with Indigenous people looking for peace (cf. De Vries 2006; Sanderse and Jaffe 2007). More recently there has been an increase in the number of Chinese and Brazilian immigrants (De Theije 2007). The arrival of various groups in the city has changed the overall structure of the urban population. Whereas in 1921 Creoles formed 80 percent of Paramaribo's population, this was reduced to 59 percent in 1964 and 45 percent in 1992. Below, in figure 1.1, the ethnic distribution within the city is shown. The group 'of African descent' (Creoles, Marrons) now comprises 38 percent of the population.

Figure 1.1: Ethnic Distribution Paramaribo in 2004



Source: ABS (2005c)

Schalkwijk and De Bruijne (1999) have shown that social-economic status is more important in spatial residential patterns in Paramaribo than ethnicity. Nevertheless, social-economic differences between the main groups in the city are not very large (ibid.). As a result, Paramaribo is not as social-economically and ethnically segregated as Port of Spain. The city centre and its surrounding communities are mostly Creole and Marron and the urban fringes are mainly dominated by Hindustani groups. However, the lower class communities in between and to the North and West are ethnically mixed and ethnically mixed communities dominate the city. Still, such ethnically mixed neighbourhoods are sometimes internally segregated (cf. Verrest 2007a).

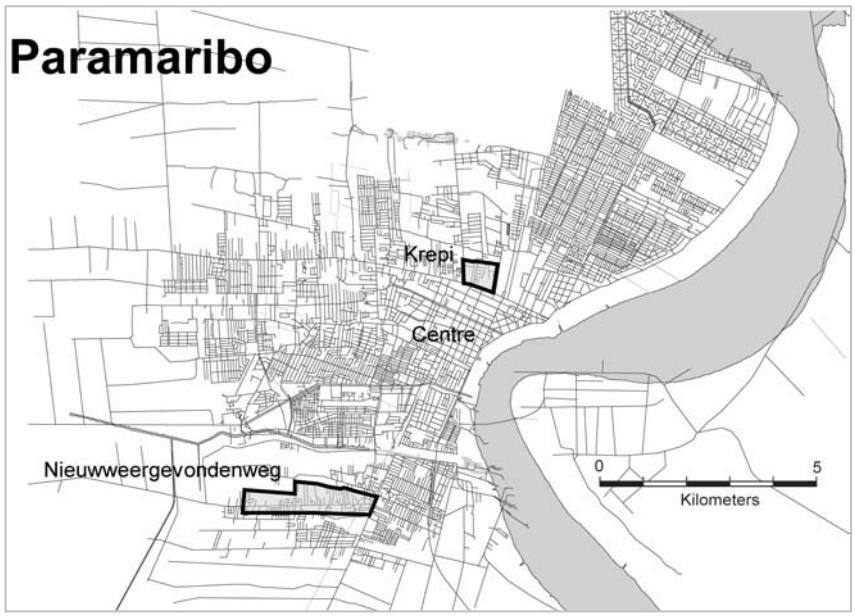
Today, Paramaribo is a sprawling city (see map 1.2). Residential plots are relatively large and multi-storey buildings are scarce. Nevertheless, affordable housing is not available for many low-income groups, resulting in an overcrowding of existing houses. Urban planning in Suriname is underdeveloped. The Urban Planning Act of 1973 defines the urban area and calls for zoning and structure plans. However, in 2003 no zoning, regional land-use plans, urban destination plans or physical development plans were in place (Struiken and Healy 2003:340). The government is sometimes involved in the development of social housing for low-income groups (recently for instance the Sunny Point project) but other than that, the private sector develops projects for which the government provides various amenities. This means that Paramaribo develops in an ad hoc, largely unstructured manner. Rules and regulations that exist are not enforced. An example of this is the rule that land, which has been given out needs to be developed. In practice though, no steps are taken when lots are not developed. As a result, many lots are left empty. With regard to businesses, there is a problem that no industrial estates exist and that economic activities develop in residential areas. The Multiple Year Development Plan 2001-2005 (MOP 2001-2005) caters for the development of industrial estates but these had not been established at the time of this research (Regering Republiek Suriname 2001).

A related problem is the allocation of land in Suriname. There is not a coherent system of land registration and a serious lack of information on ownership and status of land exists. In 2004 the GLIS-project (Grondregistratie en Land- Informatie Systeem/ Land Registration and Information System-project) started whose aim is the development of an integrated land-information system and reorganisation of the current land-allocation practice. Despite the fact that Suriname is a rather empty country, the availability of accessible residential areas with amenities in the coastal areas is limited. In addition, the procedure to acquire land is complex, involves several ministries[8], bureaucratic, time-consuming, and subject to corruption. According to an inventory by Struiken and Healy (2003), only 23 of 1000 residents in Paramaribo have a formal tenure title. The authors present data showing that while 23,000 individuals have applied for land between 1999 and 2001, only 9,000 leases have been issued. At the moment five types of land titles exist in Suriname of which leasehold (until 1982) and land rent (from 1982) are most important in Paramaribo is. In addition, the practice of undivided lots exists. When a leaseholder dies, the land is automatically transferred to his/her children, unless otherwise arranged. This means that some pieces of land can be

[8] The ministries of Public Works, Natural Resources, Agriculture, Planning and Development and Regional Development are involved.

claimed by many heirs. As a result, land development is hampered and the possibility to use it as security in loan applications is very limited.

Map 1.2: Paramaribo with neighbourhoods under study



Source: GIS data

Informal occupation (or squatting) in Suriname exists in two ways. First, some government housing projects have occupied before the houses were finished. Recent examples in Paramaribo are Sophia's Lust and Sunny Point. The other form is squatting on land. This happens in small projects, such as Devis Buiten or Ramlahal (Irion 2003) and sometimes is disputed. Often though, the problem is not addressed.

Port of Spain

Port of Spain (*Puerta de España)* became Trinidad's capital in 1784 and was residence to 4,525 people when Britain took possession of Trinidad in 1797.[9] The harbour town grew fast but was destroyed by a fire in 1808. The city that was rebuilt afterwards took a different shape and is characterised by its distinctive rectangular grid (Goodenough 1976). The surrounding areas of Port of Spain consisted of large sugar estates on the west and small coffee and cocoa plantations in the east.

[9] 1750 of these were slaves and an equal number free blacks (Anthony 1988:224).

After Emancipation in 1834, large numbers of freed slaves moved to the city. The living conditions within the city deteriorated quickly and the cost of living became very high. Inner-city dwellers, both rich and poor, rural migrants and immigrants from other Caribbean islands sought new residences (Goodenough 1976). The development of Port of Spain in the 19th Century, especially the second half, thus was characterised by suburbanisation. From the 1930s until Independence the natural boundaries of the city were the sea to the south and the Northern Range Mountains to the north. This forced expansion of the city mainly in eastern and the (north) western directions. The land to the west was flat and accessible. Abandoned large sugar estates were bought by the Port of Spain government and soon became a suburban paradise to the wealthy and mostly white and light skinned populations (e.g. St Clair and Woodbrook).

The poor on the other hand headed eastwards and crossed the bridge over St. Anns River (also known as East Dry River), then the border of Port of Spain (Goodenough 1976; Lloyd-Evans and Potter 2002). Poor inner-city dwellers, Caribbean immigrants and rural migrants found residency 'behind the bridge' at the foot of the Laventille Hills. These hills were largely uninhabited and uncultivated. Land was available in abundance and landownership complex and fragmented. This provided opportunities to rent land cheaply or squat on it (Goodenough 1976; Dickman 1992). The magnificent views and the much-desired cool sea breeze made it an attractive living environment, also for the rich. Nevertheless, because of the inaccessibility of the area and the lack of amenities, such as water, moving into the Laventille hills did not become popular among the better off. A similar process took place in the same time in the area of Belmont, a bit north of Laventille. This abandoned sugar estate was intended to be developed into a middle-class suburb but started off attracting mainly working-class and middle-class people (Dickman 1992:56). Belmont (including Gonzales, where this study is conducted) developed into a community of mixed classes with well-off, middle-class and working-class inhabitants. There was a tendency for the better-off and lighter skinned persons to live nearer the Savannah in the West and the North in St. Anns. Overall in Port of Spain, the poor and former slaves went eastwards to areas known today as Laventille, Belmont and East Dry River; East Indians were a minority. In addition to former slaves, large groups of migrants from other Caribbean islands arrived in the country and in

general lived 'behind the bridge' (Goodenough 1976:59-60; Mc Cree 1997:40-41).[10]

East Port of Spain largely developed in an unplanned fashion which is visible in today's morphology of the area with its narrow steep, winding roads (see map 1.3). Since the area did not belong to the city of Port of Spain, local authorities did not feel responsible for providing amenities to the area, which meant that it stayed without basic services for a long time. In the course of the 20th Century, ownership has been regularised in most areas and amenities have been provided. The formal boundaries of Port of Spain changed considerably between 1870 and 1939 but have (except for a minor change in 1986) remained the same ever since (Dickman 1992:8-9). Large parts of today's Laventille are still not part of Port of Spain proper.

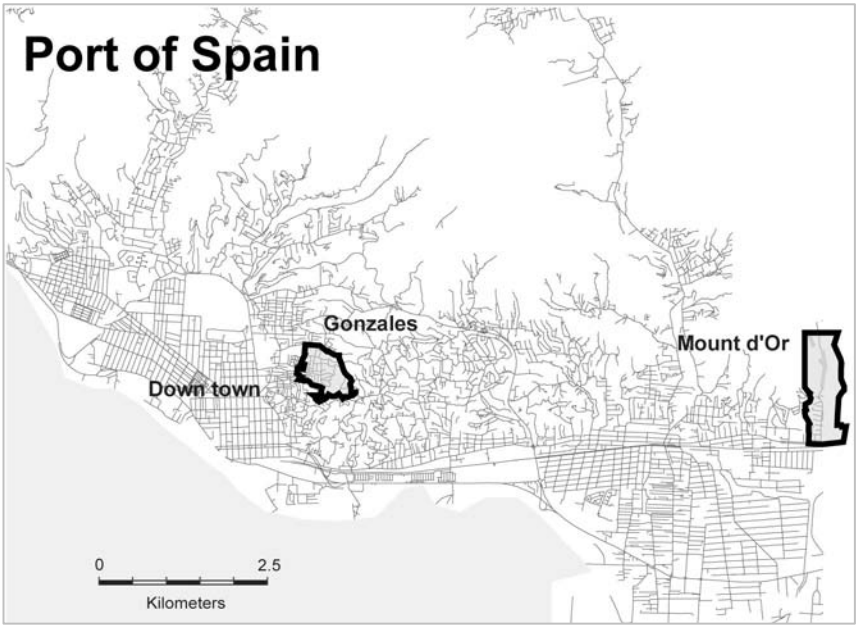
The city centre of Port of Spain has increasingly become a central business district. Modern buildings that house banks, government ministries and various companies are located along Independence Square. Shops and malls are found in the streets running north of the square (e.g. Frederic Street and Charlotte Street). Despite the growing importance of shopping malls outside the city, the shops are full in the daytime. After four o'clock street traders take possession of the streets (the government is increasingly restricting these practices) who sell clothes, food and the like to commuters on their way home. But, similar to developments in the USA, shopping malls in suburban centres and smaller towns are increasingly popular. In the evening the city centre is fairly deserted except for street parties on holidays and the continuous business in American chain restaurants. The middle-classes especially stay away from the city.

The development of Port of Spain as described above has led to a city that is both ethnically and socially segregated. People of Indo-Trinidadian origin are generally underrepresented in Port of Spain. They came to the city in small numbers because of their focus on agriculture, which took mainly place outside of Port of Spain (Goodenough 1976). One of the few areas that developed into an Indo-Trinidadian suburb was St. James in the West. Data on the geographic distribution of Indo-Trinidadians, African and mixed origin residents over the city of 1960 confirms the picture that Indo-Trinidadians make up a small part of the city population and are mostly concentrated in St James. Furthermore, these maps show how East Port of Spain is dominated by people of African descent (Goodenough 1976:476-479). More recent census data confirms this and shows little

[10] More recently suburbanized areas in the East are located east of the Laventille hills and include middle and upper-class groups (Goodenough 1976). Diego Martin to the West is also a more mixed area.

change. Whereas of the total population of Port of Spain proper 55 percent is of African descent, 29 percent mixed and 11 percent Indo-Trinidadian, in the communities of East Port of Spain, Gonzales, Belmont and Sealots this is 67 percent, 25 percent and six percent respectively (CSO 2007b). Nevertheless, also within these mentioned neighbourhoods small Indo-Trinidadian communities exist (for example in Gonzales). In general the Belmont population is most like that of Port of Spain Proper. In the Laventille communities that are not part of Port of Spain proper, the share of East-Indians is three percent. Hence, the only communities in Port of Spain with more than 20 percent East Indian are Federation Park and St James.

Map1.3: Port of Spain with neighbourhoods under study



Source: CSO

In terms of class, West Port of Spain has been considered the area of the well-off. Recently built upper-class housing projects (such as Westmoorings) confirm this. Other than the place to live, West Port of Spain is also the place to go out, at least for the well-off. Woodbrook with its expensive restaurants and trendy bars, the exclusive shops in West Mall and Movietown, a cinema-complex attract an audience that consists of the well-off. The area 'behind the bridge' on the other hand has always been considered a poor region. Moreover, it is considered a dangerous and crime ridden area, a no-go area. Recent crime figures have enforced this

image. On the other hand, there is a romantic story of Laventille, which connects it to the development of the steel pan, carnival and the steel band movement (Lovelace 1979; Ryan *et al* 1997).

1.3 Central Question and Organisation of the Book

This study on productive use of habitat puts the relation between HBEAs, their operators and the wider societal context centre stage. Its aim is to understand the impact of the context on the organisation of an HBEA and its role in the livelihoods of the households involved. The assumption is that HBEAs are shaped and re-shaped as a result of interactions between the motivations, characteristics, opportunities and constraints of their operators on the one hand, and the opportunities and constraints brought about by the institutions, organisations and social relations around them. This in turn has an effect on the role of HBEAs in the livelihoods of the involved households. The central question of the study is therefore *under what conditions different low-income households in Paramaribo and Port of Spain use their habitat productively and how this contributes to their livelihoods?*

I have chosen not to present all the theoretical concepts and literature review in one central chapter. Rather, the general outline of the main debates and concepts were presented in this chapter. These individual concepts and the related literature will be reviewed and discussed in the most relevant chapter. I have chosen this approach because it links literature to data immediately.

Chapter two of this study discusses the methodological approach taken. It defines and operationalises the main concepts and it presents the conceptual framework and methods deployed to address the specific research questions. Furthermore, it discusses the choices and limitations of the research and reflects on various experiences. Finally, it introduces the reader to the neighbourhoods of this study. The subsequent chapter (three) describes and compares historical and recent political and social-economic developments in Suriname and Trinidad and Tobago, with special reference to the situation in Paramaribo and Port of Spain. It presents the main institutions and organisations that are relevant for this study. Chapter four addresses the first specific research question by analysing livelihoods of low-income urban households in the areas of this study. It does so by means of development of a composite asset-index as well as a composite vulnerability-index. Moreover, it presents the various livelihood activities developed by the households. The scores of households on these indices are compared between Surinamese and Trinidad and Tobagonian households, as well as by various household and individual characteristics. Chapter five analyses the productive use of

habitat, i.e. the HBEAs operated by households. The aim of the chapter is to show the prevalence and variety of HBEAs, the motivation to start these and their role and function in the livelihoods of various households. These are discussed in relation to gender and household characteristics, as well as the country of concern. Furthermore, the chapter introduces a typology of entrepreneurs based on household vulnerability on the one hand and the ambition of the operators on the other.

The next two chapters six and seven discuss the issues of organisation of HBEAs and how they interact with institutions. Chapter six shows how various HBEA entrepreneurs organise their activity. I analyse how they combine the human, financial and productive assets needed in their HBEAs. The question is how much they invest of specific assets and from which source they derive the assets. Chapter seven extends these organisational patterns and examines what institutions, organisations and social relations at the level of the household, neighbourhood and city are important for HBEAs. The institutions include: the legal framework, financial and educational organisations and facilities, government policies, NGO's, CBO's, family and social networks, the household and the community. The final chapter, eight, answers the central question of the research, reflects on the meaning of the findings for theory, and formulates various recommendations.

2

METHODOLOGY

'But in the final analysis the main actors must be those whose voices have been oppressed so long within the different arena's of development'.
-Naila Kabeer- (1994: p 304)

The central question posed in this study is how various households in low-income neighbourhoods in Port of Spain and Paramaribo use their habitat productively and how this contributes to their livelihood opportunities. The livelihoods approach is used as the analytical tool to answer this question. The issues and questions explored relate to two domains. The first is the HBEA itself. Issues addressed here are for example the frequency and variety of HBEAs, the way they are organised, the interaction with the institutional context in this, and the impact of HBEAs on the livelihoods of the involved households. The second domain is the household. The issues considered are what Caribbean urban livelihoods are like, what role HBEAs play in these and how variations in these can be explained from characteristics, dynamics and motivations of the households and individuals involved. An overall assumption is that it is the interaction between agency and structure that shapes HBEAs and livelihoods.

This chapter begins with the operationalisation of the research questions, definitions of the main concepts and then outlines the conceptual framework Next, the main choices and limitations of the study are presented, followed by the methods used for each research question. Thereafter, some experiences in the field are highlighted. Finally, the neighbourhoods where the research was conducted are introduced.

2.1 Operationalising HBEAs and Livelihoods

Livelihoods of Various Low-income Households in Port of Spain and Paramaribo

The first research question this study considers is the livelihoods of various low-income households in each city. From this analysis a general picture emerges of the opportunities and constraints low-income households in both cities experience in their livelihoods. Moreover, it portrays the diversity in households that reside in the selected neighbourhoods and reveals livelihood specificities for various households. This provides the background for discussing the prevalence, organisation and role of HBEAs in livelihoods. In this research question, the focus is on the household level. Yet, where data allows I will disaggregate to the individual level and differentiate according to gender. Livelihoods are defined as 'comprising the assets, activities and the access to these (mediated by institutional and social relations) that together determine the living gained by an individual or a household' (Ellis 2000:10). My analysis centres on four issues: assets, vulnerabilities, livelihood activities, and diversity.

The first issue is the size and composition of the asset-stock of households. Access to assets is crucial in gaining a living. Usually, human (labour, skills, health), financial (savings, loans, credits, remittances, pensions), social (networks on level of community, city, state and international), productive (house, tenure security, tools and equipment) and natural (land, natural resources) assets are distinguished (Rakodi 2002). For urban households, natural assets play a less important role and are often excluded from studies. However, access to utilities and security of tenure are crucial to them. In this study, I have subsumed these assets under the heading of productive assets. The question asked here is what human, financial, social and productive assets households have at their disposal. The next issue to be examined is the composition and degree of household vulnerability. Vulnerability refers to the ability of households, individuals and communities to bend and bounce back when confronted with adverse situations (cf. Blaikie and Brookfield 1987 in Moser 1998). Their resilience (i.e. the ease and rapidity of recovery) and sensitivity (i.e. the impact of an external event on a system) determine the extent to which they are able to cope with these crises (Blaikie and Brookfield in Moser 1998). Here, I examine to what extent households reduce economic vulnerability through mobilisation of extra labour, income diversification or enhancing income regularity. The third issue is related. It focuses on the various livelihood activities developed by households and the sources of income they have at their disposal. The inventory focuses

on paid labour, migration and remittances, social security, education, and the operation of an HBEA.

Finally, differences in assets, vulnerabilities and livelihood activities between households are related to variations and dynamics in location and household characteristics. First of all, locational differences are considered, i.e. the country and neighbourhood of residence. A general assumption is that the level of vulnerability in Surinamese households is larger than in Trinidad and Tobago. The better economic situation in the latter country is expected to have improved labour regularity and diversification. Next, I look at the impact of household characteristics. Classical perceptions on the household strongly focus on its territorial features and overlook its social and economic function (Chant and Campling 1997:4). However, a household is not only a dwelling and a social unit in which most reproduction takes place but also a unit of economic distribution, consumption and sometimes economic production (Netting *et al* 1984). A suitable definition by Gonzáles de la Rocha (1994) sees a household as a group of one or more people living under one roof (but including migrants) that generates, distributes and consumes sources of income. Kundstadter (1984) states that 'most people in most societies at most times live in households, the membership of which is often based on kin relationship (…). Households are simultaneously a combination of a dwelling unit, a unit of economic cooperation (at least in distribution and consumption) and the unit in which most reproduction and early childhood socialization takes place'. This latter definition is applied for this research.

As I discussed in Chapter 1, diversity is a prime characteristics of the Caribbean household. Based on Caribbean literature, the following household distinctions are included: the gender of the household head, the dominant ethnic group in the household, the life-cycle/age-dependency structure, and the type of household (i.e. nuclear or extended). A general assumption is that households headed by women are more vulnerable and deploy different livelihood activities than male or two-people headed households. Furthermore, extended and dispersed households are expected to have lower levels of assets. A final analysis seeks to establish differences between households that do and do not operate an HBEA. I assume that households with HBEAs may have larger stocks of assets and are less vulnerable than households without such activities. This is based on current ideas in development thinking on the role of entrepreneurship as a tool in poverty reduction.

The second research question explores the use of habitat in livelihood activities. Definitions of habitat range from a narrow view of habitat as 'shelter' to broader concepts of habitat as the entire living-environment of people including work and social networks (Baken and Van der Linden 1992; Van der Linden 1996). Studies on productive activities within habitat focus on activities in the house or on the plot. Habitat in this study is therefore defined as home, plot and basic services, related to the house.

The literature indicates that productive use of habitat is the second-after paid labour- most often used livelihood activity by urban households in low-income areas (Moser 1998). Productive use of habitat can take many forms. It can refer to income-generating activities such as the production and/or sale of goods and services in so-called Home-Based Enterprises (HBEs), renting out of space, home-based work carried out by piece-rate workers or housekeeping (Tipple 2005b:613). Moreover, productive activities can take the shape of consumption diversifying strategies, such as home-based agriculture, intergenerational plot intensification strategies to accommodate family-related households or unpaid household work (Gilbert 1988; Moser 1998; Tipple 2005b). In this study the focus is on *income-generating* activities and within that domain on HBEs. Nevertheless, attention is also paid to activities that entail (sub)-letting of space and subsistence agriculture. I have chosen to refer to the total set of activities as Home-Based Economic Activities (HBEAs) and not enterprises. The main reason for this is that the focus in the study is on the role of HBEAs as livelihood activities and not as enterprises. Moreover, people in the study themselves refer to activities and not to enterprises. Hence HBEAs include HBEs and agricultural activities. Within the domain of HBEAs, illegal activities exist such as production and sale of drugs or prostitution. The method used in this study to identify HBEAs most likely does not detect the full range of such illegal activities. Therefore, they remain outside the main focus of this research.

The exploration of HBEAs begins with an inventory of their prevalence in low-income neighbourhoods in the cities of this study. In this, I concentrate on three questions. First, I examine the frequency of HBEAs, i.e. the percentage of households that performs such activities. Second, the variety of HBEAs is considered, i.e. the type of activity: production, sale/retail, services, (sub)-letting, subsistence and commercial agriculture. Finally, the frequency and variety of HBEAs are related to locational, household and individual characteristics. In addition to country and neighbourhood, the location within the neighbourhood is distinguished as location characteristic. The assumption is that the incidence of HBEAs is lower in Trinidad and Tobago, inner-city neighbourhoods and off the main roads. At individual level, the assumption is that women will more

often operate HBEAs than men. Finally, household characteristics are expected to affect the incidence of HBEAs, particularly the gender of the head of the household and the age-dependency structure. Answers to these questions give a first indication of the importance and variation of the phenomenon of HBEAs in the livelihoods of low-income households in the cities of this study. Moreover, it reveals what type of households and individuals, in what locations are more likely to have an HBEA than others and what types of HBEAs they operate.

Absolute and Relative Impact of HBEAs on Household Livelihoods

The third research question of this study focuses on the impact HBEAs have on the livelihoods of the involved households. The aim of this examination is to increase our understanding of the absolute and relative impact of HBEAs on the livelihoods of various households in low-income urban areas in Paramaribo and Port of Spain. The absolute output refers to the tangible and non-tangible results of the HBEA. The tangible results are the amount and regularity of cash income. Based on the literature, the assumption is that the incomes are generally irregular and vary according to the type of activity. Intangible results of HBEAs are psychological and social-political gains. This refers to the non-material results such as joy, self-esteem and political power within the households (Sen 1987; Kabeer 1994). The assumption is that such gains are especially important for women operators.

The relative importance of HBEAs in household livelihoods is determined in three ways. The first is an assessment of the *role* of HBEAs in livelihoods in relation to other activities. As the literature discussed in chapter 1 shows, livelihood diversification is a core strategy for low-income households. Hence, I distinguish between HBEA-incomes that are the sole, main or secondary source for the household. The second way is by determining the goals on which the income earned is spent. Are incomes spent on daily necessities, saved 'for a rainy day' or used for reinvestment or large household expenditures? The final way is by analysing the outcome (or function) of HBEAs for livelihood opportunities. Livelihood opportunities or capabilities are defined as what people can be or do with their livelihood outcomes (Sen 1999). Households may aim to survive, seek security or try to increase their wealth (Grown and Sebstad 1989; Ghafur 2000; Beall 2002:73). This study assesses the current livelihood opportunities of the household and what their opportunities would be without the HBEA. The change is considered the function of HBEAs in livelihood opportunities. Households at a level of survival struggle to provide basic needs. These were defined in focus groups as food, utility bills, housing, transport, school fees, basic health expenses and clothing. A secure level of livelihoods was defined as a situation where households are able to care

for these basic needs and have something on the side to deal with unexpected expenses, such as basic house renovations, a refrigerator that breaks down or short-term illness. Households were considered well off when they were not only securing basic needs, but also able to buy expensive appliances, such as computers, send children to private schools, make substantial investments in their home, buy a car, spend money on a hobby and maybe even travel abroad.

Variations between the absolute and relative importance of HBEAs are discussed in association with location, household and individual characteristics; i.e. household vulnerability, gender and ambition of the HBEA-operators, and country of residence. The assumption is that the ambition of the HBEA-operator on the one hand and the vulnerability of the household on the other, largely define the role of HBEAs in livelihoods. The ambition of operators to start and maintain an HBEA can be 'livelihoods-' or 'business-' oriented. The general assumption is that livelihoods-oriented motivations will lead to side incomes and greater livelihood security. Business-motivations produce higher incomes with HBEAs that are the sole or main income. Vulnerable households look for secondary incomes and spend their income on daily necessities or savings for a rainy day. Non-vulnerable households can use their HBEA to structurally improve their livelihoods and make larger investments.

HBEA-Organisation and the Role of Institutions

The first three research questions focus on the micro-level of the household and on people's agency. However, livelihoods are not only shaped and reshaped through people's action but also through structural factors impacting on the access and use of assets, livelihood activities and opportunities. The fourth research question deals with the impact of these structural factors and discusses these in relation to the HBEA-organisation and role in livelihoods.

The livelihoods approach discusses this structural or institutional context under various headings (Leach *et al* 1999; Ellis 2000; Rakodi and Lloyd-Jones 2002; De Haan and Zoomers 2005). Here, I distinguish between three core domains of the structural context: institutions, organisations and social relations. Institutions are 'complexes of norms and behaviours that persist over time by serving collectively valued purposes' and organisations can be defined as 'structures of recognised and accepted roles' (Uphoff 1993:614). Social relations refer to social interactions between two or more people. These are regulated by social norms based on for example gender, class, ethnicity and age. Social capital is a quality of social relations and broadly defined as reciprocity within communities and between households based on trust deriving from social ties (Moser 1998).

A first topic concerns the way operators organise HBEAs. I distinguish four aspects of organisation. The first three refer to the mobilisation and organisation of specific human (skills, time and labour), financial (investment, financial management) and productive (use of the home and plot, markets and suppliers) assets. I examine what assets the operator uses in his/her HBEA (the amount or size), the location of these assets (close to home or at further distance) and the character of the source they are derived from (formal or informal). The fourth aspect entails the degree to which HBEA-operators comply with existing rules and regulations (health and environmental regulations, taxation, and licences/business registration).

The second topic explores how HBEA-operators interact with the structural/institutional context and how this affects the organisation of HBEAs. Following the classification of Leach *et al* (1999) a distinction is made between the institutional level at micro- (household), meso- (neighbourhood) and macro- (city and state) level. At micro-level, I examine the role of the household and family as well as the gender relations and norms of reciprocity underpinning these. At the meso-level the role of the community in market practice, credit facilitation and competition is centre stage. Specifically norms of reciprocity and solidarity are considered. At the macro-level I examine the role of financial, educational and business development organisations for HBEAs. Next, it is explored how regulations and practices in the field of planning, health/environment, taxation, and business registration affect the organisation of HBEAs. Finally, attention is drawn to the role of strong and weak ties in accessing these institutions and organisations. For each of these institutions, organisations and social relations the same set of questions is explored: How does it function? How does it relate to HBEAs? How do HBEA-operators interact with and use it? And why do they make these choices- is it related to access or preference?

The variations in patterns of organisations and interactions between HBEA-operators and the institutional context are differentiated according to gender and motivation of the HBEA-operators, and the vulnerability of the involved household. The assumption is that female operators and HBEA-operators from vulnerable households are less willing and able to take risk and to make large investments. Hence, they prefer small, incremental and flexible investments. A next assumption is that livelihoods-motivated operators organise their HBEA in such a manner that it can be operated in the same time frame and space as other livelihood activities. In addition to personal and household characteristics, country differences are considered. The question is how differences in patterns of organisation and institutional interaction can be explained

from differences in the political, economic and institutional contexts in Suriname and Trinidad and Tobago.

Finally, in this research question I explore how the pattern of organisation and the role of the institutional context are related to the role of HBEAs in livelihoods. The general expectation is that the method of organisation and use of institutions shape the role of the HBEA in livelihoods. For example, I expect an informal and low-input pattern of organisation to result in relatively low side incomes. Yet, the role the HBEA plays in household livelihood strategy will, in return also affect the way it is organised and how institutions are used. I expect HBEAs that assist in securing livelihoods, for example, to be organised with use of small investments in rather informal and risk-free way. Figure 2.1 shows how the various concepts and questions are related.

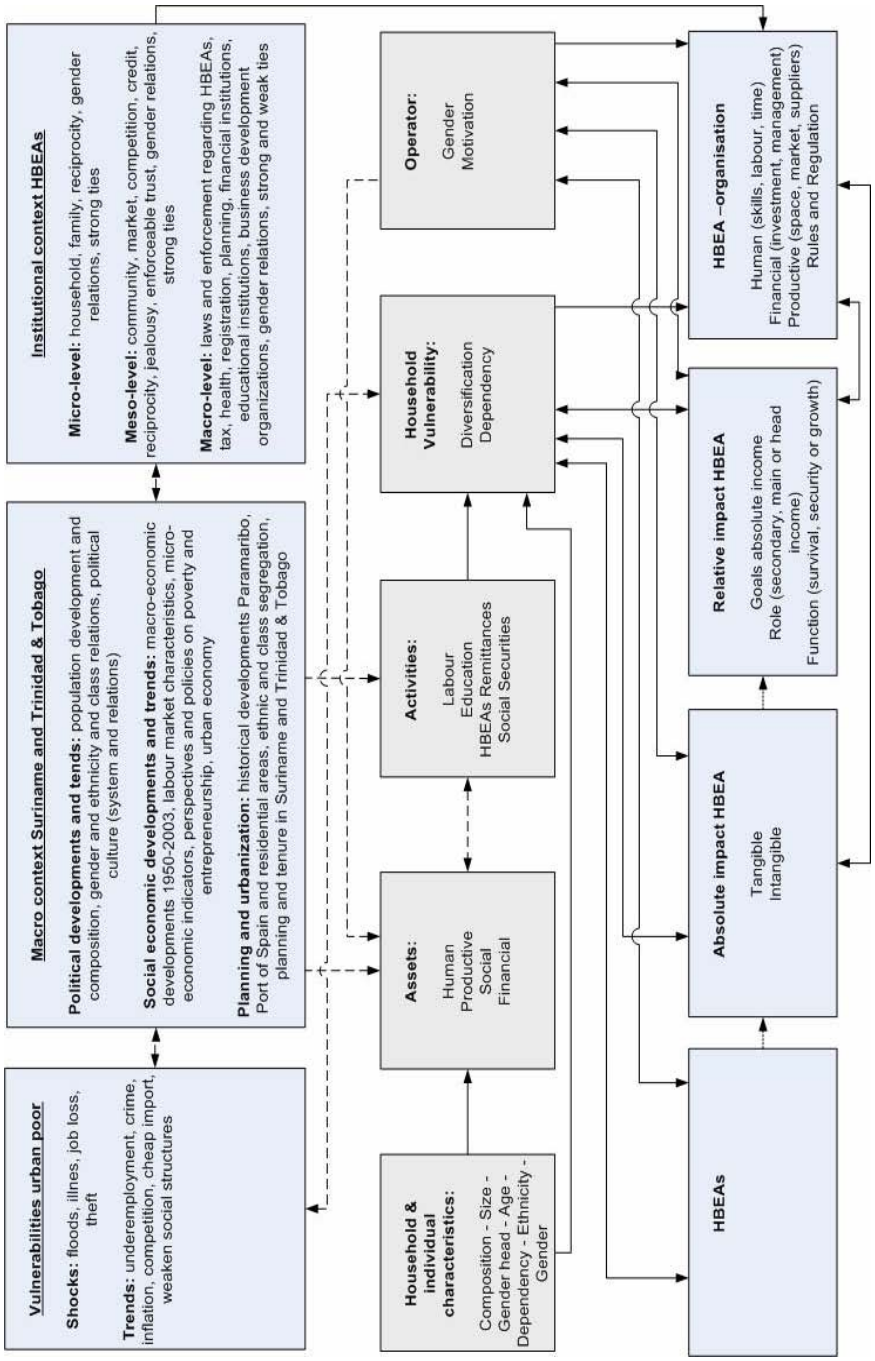
2.2 Research Choices and Limitations

Research entails choices and limitations. This section discusses the major choices and limitations made within this study.

Comparative Case Study Research

This study is based on a comparison of two cases: Paramaribo in Suriname and Port of Spain in Trinidad and Tobago. These locations have distinct political and economic structures and policies. Processes of economic globalisation and local accommodation together with national political developments have produced different outcomes, with Suriname only slowly recovering from economic crisis while Trinidad and Tobago's economy is currently booming. Therefore it is interesting to compare contrasting interactions between households and institutions, and their effects on the livelihoods and organisation of HBEAs in both capital cities. Using a comparative case study approach is valuable for this type of study as it is an excellent method to examine the relationship between contextual factors and a specific topic (Yin 2003:13). Moreover, a comparison between a few cases (small N- comparison) is an excellent method to 'analyse each country's experience in the light of the other' (Portes *et al* 1997:4). The Caribbean is very suitable for this type of study because of the variations in historical, economic, social and political histories within a small geographic area. Portes *et al* (1997:4) even state that similarities that hold between countries in the Caribbean may hold beyond this area, exactly because of this 'maximum differentiation'.

Figure 2.1: Conceptual Framework



However, despite large differences, Suriname and Trinidad and Tobago and their capital cities share important characteristics. For instance, they experienced similar political and economic historical developments. They also share typical Caribbean features, such as an ethnic diverse and highly urbanised population, small economies, and economic dependence on natural resources. Both cities are similar in size (250,000), represent a large proportion of the total population and are central areas in terms of political and economic decision-making.[11] It was my intention to highlight Caribbean features of HBEAs because a comprehensive study on HBEAs in this region is lacking. For that aim, comparing HBEAs in two, naturally varied, Caribbean locations is very useful. The fact that the two countries share Caribbean features, such as size of economy and market, historical events, ethnic diversity, and degree of urbanization, provides the basis for a Caribbean picture.

According to the classification of Yin (2003:46-54), the case study approach chosen here is a *multiple embedded case study*. In this type of study, cases are not examined holistically but through the use of sub-sets within the cases. In my study, the phenomenon of HBEA-organisation and institutional interaction is examined through a sample of households in two low-income neighbourhoods in each city. In this study, we speak of a small N-case study that holds the middle between the single case study or the Large N-study. It loses the thickness of a single case but has higher internal and external validity. Furthermore, it is better able to focus on understanding phenomena and small variations between cases and contributing to theory than is possible with a large N-study (Hall 2003:399). Selecting three or four cases was not feasible. The topic of this research has been hardly examined in literature and not at all in the Caribbean. Little data therefore was readily available and considerable time and work would have been needed for a large N-study. The time needed for that is more than what a PhD-research offers.

Selecting Two Caribbean Cities

One of the questions most frequently asked me was 'why did you choose those countries and why those cities?'. First of all, I had experience doing research in and reasonable knowledge of Paramaribo. As a second location I preferred another *Caribbean* capital city. The main reason was that I had noticed that Paramaribo had never been part of Caribbean comparative studies. Moreover, Suriname's experiences and developments

[11] Consequently, in order to realize maximum differentiation, it would have been necessary to chosse at least one non-Caribbean location for this. I have chosen not to do so. The main reason was that it is not my intention to develop a more or less universally applicable picture of HBEAs and the role of institutions in their organisation.

are scantly discussed in a larger Caribbean perspective. In the realm of this study, Trinidad and Tobago is the excellent case with which to contrast Suriname. Both Paramaribo and Port of Spain are the dominant political and economic location in their respective countries. Yet, the distinct political, economic conditions in each country have produced different institutional contexts (see chapter 3). The study is limited to urban areas for several reasons. The literature on HBEAs is scarce and to the extent it is discussed, it covers urban areas. Hence, a theoretical basis can be derived from these. Moreover, the role of assets other than labour and social network in urban livelihoods is much neglected.

My first visit to Trinidad and Tobago took place in 2002, exactly five years after my first fieldwork in Suriname. During this first stay, I was most aware of the dissimilarities between the two countries and cities. Paramaribo and Port of Spain looked, sounded and smelt very different from each other. Port of Spain, with its streets full of music, cars and people appeared hectic and fast paced. The high-rise buildings, low-income communities on the surrounding hills and multiple-lane highways leading to and from Port of Spain, gave it the look of a cosmopolitan city. Paramaribo's city centre is congested with cars but many quiet, breezy spots and a sense of slowness is always around. The extensive layout of Paramaribo and the unique architecture in its historical centre, make it look far from a world city.

Port of Spain's and Paramaribo's city centres are full of shops and restaurants. Yet, local warungs and rotishops dominate in Paramaribo and there are only a few foreign chain restaurants such as KFC and Pizza Hut. The streets in Port of Spain are full of the American chain restaurants found all over the world (except for McDonalds) and their local equivalents. The specialisation of merchandise in the shops in Trinidad and Tobago was higher than in Suriname. Yet, the latter seemed to catch up fast during the period of my research.

During the first visit my time was spent close to the bustling campus of the University of the West Indies where people from all the English-speaking West Indies were represented. Their international orientation was on the West Indies, the United States, the United Kingdom and Canada, whereas Suriname is oriented towards The Netherlands and the Dutch Antilles. On the whole, Port of Spain seemed to be more of a global city, maintaining multiple social, political and economic links with cities, town and populations everywhere. Paramaribo's external links have only recently begun to shift away from The Netherlands to include other parts of the Caribbean, Brazil and The United States.

Selecting Neighbourhoods

In each city, two low-income neighbourhoods were chosen as research locations. The decision to select neighbourhoods was based on several motivations. First of all, the available literature on HBEAs shows their strong embedding in the neighbourhood context (cf. Strassman 1987; Tipple 2004). Moreover, important relations between HBEAs and institutions take place at community level. Therefore, neighbourhoods were considered the most appropriate location to study HBEAs. The choice for *low-income* neighbourhoods was made because I am mainly interested in analysing the role of HBEAs in the livelihoods of low-income households.

There was little statistical data on incomes at neighbourhood level available. Therefore, the choice for neighbourhoods was based on literature and discussions with various key-informants.[12] The neighbourhoods were chosen at two locations in the city. One was situated close to the city centre and one slightly further away. I expected differences between the two based on the assumption that closer to the centre, people rely more on services outside the community and that there is less space for operating these businesses in the city centre.

A first criterion used for selection was the accessibility of the neighbourhoods. The neighbourhoods needed to be accessible to a researcher, unfamiliar with the region. At the time crime rates in the urban areas in Port of Spain were high. Hence, research locations were limited to those where community organisations would be able to provide safe introduction to the community. A second criterion for selection was the ethnic composition in the neighbourhoods. The aim was to select ethnically mixed communities in both countries in order to be able to make an analytical differentiation. Paramaribo provided several of such neighbourhoods (cf. Schalkwijk en De Bruijne 1999) of which two were chosen: Krepi (inner-city) and Nieuwweergevondenweg (urban fringes). In Port of Spain, however, this was much more difficult. As was shown in introduction of Port of Spain (chapter 1.2) poverty in that city has a strong African character, whilst the East-Indian poor live in rural areas. I decided to focus on low-income households in low-income urban communities. As a result there is an over representation of people of African descent. In Port of Spain, East Port of Spain/Laventille is considered the most important low-income area in the city (cf. Ryan *et al* 1997). Therefore, selecting a neighbourhood in this area was highly

[12] These informants were in Paramaribo two sociologists and an economist who knew the city and its neighbourhoods and had knowledge of poverty. In Port of Spain, discussions were held with three planners, two sociologists and representatives from several CBOs and NGOs in Port of Spain.

appropriate. However, this area is predominantly inhabited by people of African descent. The choice for the second community was driven by the wish to have a neighbourhood slightly out of the centre of Port of Spain. The accessible lower income communities further out of Port of Spain were also predominantly of African descent. The chosen neighbourhoods, Gonzales (inner-city) and Mount d'Or (urban fringes) provide residency to a number of Indo-Trinidadians but they cater for a minority.

Limitations of the Study

As a result of the ethnic imbalance in the sample in Port of Spain, this study cannot fully explain HBEAs from ethnic differentiation. Yet, where data allows, these analyses will be made. First of all this will be done in relation to the assets and vulnerabilities of households in the selected neighbourhoods and the prevalence of HBEAs in their livelihoods. Where the organisation of HBEAs and role of institutions in this is considered, ethnic variation will only be examined where differences came out very clearly from the few cases in the study.

Another limitation to the study is related to the timeframe. This is not a longitudinal study. Therefore long term developments of HBEAs can only be revealed through oral histories. Moreover, the starting point of the study is the household and not the HBEA. This makes it hard to separate livelihood changes that are the result from HBEAs, from those realized because of other developments. Finally, where HBEA-operators have left the neighbourhood because of developments in their HBEA or their livelihood opportunities, they are no longer part of this study. This means that long terms impacts of HBEAs that I present here, should be viewed in relation to more short-term impacts.

Generalisation

Are the findings of the selection of households in the four neighbourhoods, likely to represent those of the rest of the neighbourhood, other low-income neighbourhoods in the cities, in other Caribbean cities or even in other cities in developing countries? Being a geographer, I am trained to be aware of the impact of space and place on people and lives. Hence, the findings of this study will never be fully repeated in another geographical location. Yet, I believe that a degree of generalisation is possible. Similar trends will occur and be visible in other locations within the Caribbean. Moreover, the Caribbean, because of its diversity, captures much of 'global differentiation' and what holds for the Caribbean may well hold beyond the region (cf. Port *et al* 1997). In this study, country- and city-specific institutions, organisations and political-economic features play an important role. Therefore, the degree of generalisation possible depends on two factors. The first is the extent to

which the picture of the contexts in other locations differs from that in the studied areas. Secondly, it depends on the importance of these contexts for the HBEAs.

2.3 Obtaining Knowledge

Above I discussed research choices made in this study. Researchers motivate such choices, just like a methodological approach or research methods, on assumptions they have about human knowledge and the world around us. Such assumptions are embedded in epistemologies. Many epistemological debates, i.e. 'how we know what we know', focus on issues such as objectivity versus subjectivity, the relativity of truth and whether or not meaning is socially constructed (cf. Crotty 2003-8-10; Sayer 2000). This is not the time or place to repeat these discussions in-depth but I want to highlight the main epistemological and theoretical assumptions from which my methodological approach and methods have emerged.

Traditionally, social science was based on an 'objectivist epistemology'. In this perception, reality exists outside of any consciousness and this reality contains an objective truth that is knowable to us. Scientific knowledge is considered superior to other forms of knowledge. 'Constructivists' on the other hand, argue that meaning is not discovered but constructed through peoples' mind and in interaction with the object. Consequently, different people may develop a different meaning concerning the same thing. Furthermore, it acknowledges the existence of several types of knowledge next to each other that are valuable in their own ways.[13] Constructivist perspectives are, for example, feminism, phenomenology and postmodernism (Crotty 2003:8-10). Of course, there are many stances in between the two extremes given here.

With regard to research methodologies, generally recognized characteristics of positivist/objectivist research are a deductive, hypothesis-driven approach focused on validity and reproducibility. Researchers are considered objective and distant. Within constructivist approaches, we find inductive, exploratory, dependable and auditable methodologies that are used by subjective and participative researchers (O'Leary 2004:7). Finally positivist approaches are associated with quantitative methods and qualitative methods with post-modern, interpretive and feminist approaches.

[13] Wikipedia (2007) gives a comprehensive overview of several types of knowledge: 'know-how' (tacit knowledge, see Polanyi), 'know-what' (facts), 'know-why' (science) and 'know-who' (networking).

I follow constructivist epistemologies in the sense that I believe that there is no such thing as value-free objective knowledge and that 'our knowledge of social reality is subjective, situational and culturally variable, and ideologically conscious' (Masrvasti 2004:5). The questions posed, the methods used and the interpretation of findings are all value-laden (Harding 1987:7). In the case of this research for example, the fact that I am a white unmarried, childless, 30-year old female, born and raised in Europe with an education in Human Geography, shapes my view on the world and affects the ways in which I observe, analyse and interact with the world around me. Similarly, this positionality also constructs the way people in the field see and approach me. In addition, I expect the knowledge and perceptions of the people my study concerns to be different from mine and crucial to understanding the phenomenon of this study.

However, in my opinion this does not mean that academic knowledge is never more than a personal or subjective experience or that 'all is relative'. Rather, I agree with what Harding (in Sayer 2000:52) refers to as 'strong objectivity': '[objectivity that] takes into account standpoints and the way in which observation is mediated'. Moreover, the fact that value-free knowledge does not exist, does not mean that one cannot aim at realising a certain degree of truth in data collection, interpretation and analysis. Furthermore, there certainly is a difference between scientific and other forms of knowledge, e.g. tacit knowledge. For one, the questions and issues addressed in scientific knowledge derive from several ongoing scientific discussions and contribute to these debates. This study links up with discussions on (urban) livelihoods, agency-structure interaction, HBEAs and entrepreneurship. Scientific knowledge also differs from other knowledge forms because it complies to certain rules regarding accountability, consistency and validity. A final remark I would like to make is that I consider quantitative and qualitative methods not to be mutually exclusive or to belong to one specific epistemology. First of all, it is possible to use quantitative techniques in ethnography and it is possible to employ qualitative techniques in a survey-based study. Second, a mixture of techniques is also possible (Marvasti 2004:7). Moreover, methods are tools and not a political position. Thus, it should be the research question that directs the choice towards specific methods (ibid.).

What do these assumptions imply for the methodology and methods used in this study? It means that I have opted for a methodological approach that I expected to support a construction of knowledge based not only on my subjective interpretation of reality, but including locally valid perceptions and views. The approach increases the robustness of data and consequently the validity of the inferences I make about the topic of this study (Hall 2003:373). A central element in the approach is extensive

fieldwork. Due to the fact I spent (17) months in the field I had the opportunity to visit interviewees several times, to go beyond first impressions and create a situation in which first attitudes and ideas change and a more level playing field is created. Moreover, it provided the opportunities to collect observations on topics not decided upon before and obtain information from a range of people at different moments, inside as well as outside the immediate research setting.

A next crucial aspect in my methodology is the attention for triangulation. Triangulation serves the aim to reach valid, true or transferable findings. Guion (2002) distinguishes five types of triangulation: data-, investor-, theoretical-, environmental- and methodological triangulation. In this study environmental-, data- and methodological triangulation were used. By situating the phenomenon of HBEAs in two distinct social-geographic contexts, I obtained a form of environmental triangulation (see 2.2). Data triangulation was established in various ways. First of all, for each type of interview (e.g. in-depth interviews with HBEA-operators, representatives from organisations, survey) a basic structure was used. In other words, more or less the same questions were asked to everybody within that group. Where possible, more than one representative from each organisation or institution was included. This means that, in general, several people discussed an issue with me and arguments are not based on the report of one person. Data was collected over two periods of fieldwork which made it possible to seek clarification and check previously conflicting information with a third view, and check for inconsistencies. I used methodological triangulation by the involvement of quantitative and qualitative methods in the study. This provided opportunities to check outcomes from one data set with the other. For example, the report from health inspectors that HBEA-operators do get a food handlers registration was confirmed by the answers of the HBEA-operators themselves. The next section describes the various methods used in the study. That description and the various appendices here make the study in my opinion accountable.

2.4 Research Methods

The data for this study was collected during two extensive periods of fieldwork in each city. The first fieldwork took place from January through to May 2003 in Paramaribo and from July through to November 2003 in Port of Spain. During the first round of fieldwork, the focus was on the level of the household and neighbourhood. I started by interviewing people who were knowledgeable about entrepreneurship, livelihoods and urban poverty. These included NGOs, government officials and researchers. The interviews helped me to refine my research proposal. At the same time I selected the neighbourhoods in each city and took the time to acquaint myself with the areas. I spent afternoons there

talking to people from local community organisations, community leaders and people in the streets. After this period, I conducted a survey in the various communities and had interviews with representatives from various CBOs[14]. Finally, I conducted various focus group discussions. The second fieldwork took place from October through to November 2004 in Paramaribo and from mid-January through April 2005 in Port of Spain. The in-depth interviews from the first field trip had given insight into which institutions and organisations were relevant to HBEA-operators. Therefore the second round of fieldwork was dedicated to interviews with representatives from these organisations and institutions. In addition visits were paid to all HBEA-households interviewed in the first period of fieldwork. These were meant to check anomalies and record major changes and developments that had occurred in the HBEA or the households. Also, two focus groups with HBEA-operators in Paramaribo and two in Port of Spain provided information on the relevance of a few preliminary findings. Prior to the first fieldwork a 3-week orientation visit was made to Port of Spain. During this visit in September 2002, contacts were made with relevant key informants and the research proposal was discussed and adjusted to suite the local context.[15] Furthermore, a first inventory was made of possible fieldwork locations.

During several phases of the fieldwork and for different purposes, I worked with about ten research assistants. They proved very valuable for transcription of interviews and absolutely necessary to create access to the Trinidadian communities and sometimes to set up meetings and interviews. Moreover, their interpretations and clarifications of answers especially in the early stages of the research were of great importance for my proper understanding of the situation. Nevertheless, working with research assistants sometimes did not produce the desired outcome and had disadvantages. These will be discussed in relations to the various methods used.

The Survey

A large set of data was collected via a *survey* during the first field work period. In each neighbourhood ten blocks of ten houses were selected. Together these blocks generated a representative picture of the neighbourhood in terms of geographical spread, wealth, available services and ethnicity. A person aged 15 or over was interviewed from all

[14] A list with organisations and institutions from which people have been interviewed can be found in the appendix.
[15] During this period I spoke to representatives from Ministries, NGOs, CBOs and INGOs with regional divisions in Trinidad and Tobago (cf. Eclac, ILO).

households within the block.[16] The questionnaire consisted of various topics to fulfil various goals. First of all, it provided similar statistical data on households and residents in the four neighbourhoods. The survey asked for individual, household characteristics, livelihood strategies and habitat characteristics. Finally, the survey made an inventory of the prevalence and variety of HBEAs among the interviewed households in the neighbourhoods researched. The response rate to the questionnaire was high and a total of 393 questionnaires were included in the research. These were 92 in Krepi (Paramaribo), 99 in Nieuwweergevondenweg (Paramaribo), 101 in Gonzales (Port of Spain) and 101 in Mount d'Or (Port of Spain). This questionnaire formed the basis to answer the first and second research questions: the livelihoods of low-income households and the prevalence and diversity of HBEAs.

Several assistants helped me to conduct about half of the questionnaires.[17] The issue of positionality that I raised in the previous section played a role in the way each of us was able to obtain information. One of my Trinidadian research assistants, for instance, experienced more problems obtaining sensitive information from Trinidadian households than I had, as the perceived 'outsider'. As a result, data on income could not be obtained from everybody interviewed. Another aspect of the use of multiple interviewers was that people had different interpretations of the same answer, which affects the reliability of the survey (and does of surveys in general). To make sure all interviewers used the same interpretation of answers I decided to train all research assistants in a similar way, watch them conducting their first interviews and went through every questionnaire with them in order to clarify issues and detect discrepancies and flaws in the answers. This made me sometimes doubt the efficiency of using assistants to conduct a survey. Conducting all surveys as a researcher is often not possible but it has some important advantages. First of all, by conducting surveys myself I spent a lot of time in the neighbourhoods which increased community's familiarity with seeing me around. Second, if a household that I had surveyed was considered for an in-depth interview, a certain degree of trust had already

[16] The interviewer approached the household three times at three different moments in the day, including one in the weekend.

[17] In Suriname, I started off in Krepi with the assistance of three young female sociologists and was helped in Nieuwweergevondenweg by one of them. In Gonzales, Port of Spain, one young female social scientist helped me and in Mount d'Or I conducted the interviews myself. In the latter neighbourhood, I was accompanied by a male assistant and a representative from a community organisation who were, in order to secure privacy of the interviewee, not present when the actual interview was conducted.

been realized. Finally, when one interviewer is involved, the chance of different interpretations of the same phenomenon is limited.

In-depth interviews

During both fieldwork periods I held in-depth interviews. During the first fieldwork period, in-depth interviews were held with operators of HBEAs. These were mainly selected from the survey but a few other cases were added from within the neighbourhood. The selection tried to guarantee a variety of HBEAs and the balance in gender of the operator. Yet, the willingness of people to participate was decisive. Therefore, this is not a random sample of the HBEAs encountered. In total 80 households were part of this exercise (13 in Krepi, 20 in Nieuwweergevondenweg, 23 in Gonzales and 24 in Mount d'Or). Altogether, they operated 100 HBEAs (18 in Krepi, 23 in Nieuwweergevondenweg, 29 in Gonzales and 30 in Mount d'Or). The interviews conducted took between one and two hours and covered a range of topics. The operation of the HBEA and a wide range of associated topics were addressed: the start-up situation and historical developments; the current mode of operation (use of human, financial and productive assets), degree of compliance to rules and regulations, the ambition of the operators, cost and benefits, tangible and intangible outputs, importance in livelihoods and interaction with meso- and macro-level institutions. In addition, the asset portfolio of household members, pooling mechanisms and distribution of incomes, neighbourhood relations and well-being were discussed. These interviews provided the basic information to address the third and fourth research questions on the role of HBEAs in livelihoods of the involved households and the organisation of the activities.

Also during this first period of fieldwork, 22 interviews with representatives from neighbourhood institutions and organisations were conducted: e.g. schools, local government, CBOs and political organisations. The interviews discussed topics related to the activities of the organisation, their relation with the neighbourhood and the households performing HBEAs or HBEAs itself. These also discussed assets and vulnerabilities of the local communities. This information proved useful in answering the last research question on the role of institutions in the organisation of HBEAs.

In the second fieldwork period, interviews were conducted with 50 representatives from macro-level institutions and organisations. These included government officials who reported on planning, taxation, health regulations and licenses. Representatives from business development organisations, organisations providing skills-training, financial organisations and suppliers were also interviewed. Finally, interviews were conducted with people who were knowledgeable about business and

poverty policies, the labour market, education, gender relation and tenure. These interviews provided the basis for the context chapter and help in answering the final research question.
In collecting in-depth interview, issues of positionality also played a role. The first set of experiences was gender related. For the interviews with HBEA-operators, being female helped me to 'level' with most women in the neighbourhood, as they feel more relaxed around women than men. Inviting a man to your home is easily understood as breaking the code of non-sexual male-female interaction, fuelling neighbourhood gossip. Interviewing men was sometimes more difficult for exactly the same reasons. I decided to stop one interview because the interviewee was not answering my questions but trying to seduce me. Listening back to the interviews, I realised that I felt easier asking women about their relations and sensitive male/female issues to women than men.

In addition, I had a rather negative personal experience with one of my research assistants. He was recommended by one of my key-informants and from the beginning provided excellent work that has contributed a great deal to my research. We like many other researchers and assistants, developed a friendship as well. However, when personal differences made him choose to terminate his contact with me, I also lost a valuable research assistant and for a while I feared that he might abuse his knowledge of confidential information. Fortunately that has not happened. It was a good lesson to me to learn to separate business and personal relations and also to double check references. When sharing this experience with other researchers I was surprised to discover many similar experiences among others, showing how fragile and complex it working with research assistants is.

As second set of experienced are related to me being Dutch and was most relevant in Suriname. Suriname has been independent from the Netherlands since 1975 but ties remain strong and are generally rather complex. This refers to the relationships between the governments, civil society organisations and even between family members (M. Schalkwijk 1994; Oostindie 1998; Runs and Verrest 2000). A considerable number of Surinamese have visited the Netherlands in the course of their lives for family visits, to work or study. Similarly Suriname is frequently visited by people living in 'Holland'. These are often people who themselves or whose parent(s) were born in Suriname. Yet, increasingly people without a Surinamese background visit the country. These are, for example, employees of international organisations and companies, (eco-)tourists and large groups of interns ('stagaires') from Dutch Universities and Polytechnics. Of course experiences of individual people, organisations and the government in dealing with 'the Dutch' have affected the way people look at and approach me. It needs no explanation that the reverse

holds true as well. Just as in Trinidad and Tobago, the position of relative outsider assisted in obtaining sensitive information. On the other hand it is much more difficult to have an open discussion on issues related to Dutch-Surinamese relations. Finally, I noticed on several occasions that I am very sensitive to my own behaviour and try, maybe in an unnatural way, to avoid any ideas among my counterparts that I was pretending to know everything.

Focus groups

Finally, seven focus groups were held with residents in the neighbourhoods. These were held with groups of men (one in Suriname), women (two in Port of Spain and two in Paramaribo) and youth (two in each country) separately. These workshops concentrated on two issues. The first was to define locally what constitutes well-being and livelihood opportunities. What are basic needs, what is important for securing livelihoods and what is a sign of wealth? The next issue was neighbourhood relations and assets. The information provided was helpful in answering research questions three and four. It proved especially difficult to gather men for a focus group.

Statistics, Literature, GIS and Software

Statistical and GIS data were collected throughout the research. Reports and literature have been received from organisations, institutions, and local libraries. The local statistical offices in each country were the most important sources for statistical data. In Trinidad and Tobago, the Central Statistical Office (CSO) conducted the census in 2000. Data from this census is available through online queries or requests at the CSO office. I was able to obtain data at country, city and neighbourhood level. In 2003 the Algemeen Bureau voor de Statistiek (ABS) in Suriname conducted a census. This was the first census to be conducted since 1980. Unfortunately a fire later that year destroyed all collected data that had not yet been filed in the computers. In 2004 a new census was conducted and the data has been available since 2005. Various reports have been produced that cover a range of topics, both at country and at district level. Despite various requests it has not been possible to obtain data at neighbourhood level. GIS data has been collected in order to be able to do spatial analysis and detect spatial patterns in HBEAs. The GIS data for Trinidad and Tobago was readily available, but for Suriname it was not and a mapping of the neighbourhoods has been made using GPS. In order to analyse the data, various software programmes were used. SPSS was used to analyse quantitative data and Atlas.ti for qualitative data. The survey provided quantitative data, the interviews with HBEA-operators quantitative and qualitative data. The other interviews resulted in qualitative data. Map-Info supported the use of GIS.

2.5 Four Neighbourhoods

The research has been conducted within two neighbourhoods in each city. Krepi, in Paramaribo, is an old inner-city neighbourhood comprising two sections; 'Anniestraat' and Charlesburg. It used to be an indigo plantation but was later converted into a privately developed neighbourhood. Up until 1942, lower middle-class white households inhabited Anniestraat. Charlesburg started off as an ethnically mixed middle-class neighbourhood.[18] Today working-class households from different ethnic groups inhabit the area. Only the main street in each section is paved, the others are dirt roads (see map 2.1). During the rainy season accessibility is limited. Electricity and drainage are generally good. All households have access to piped water in their house or on their plot, but provision of water is irregular. Approximately 750 households live in the neighbourhood. Slightly less than half (44 percent) considers the quality of their house good. About a third of the houses, particularly older houses, are made of wood. Almost half is made of a combination of wood and concrete and the remainder fifth is made of stone only. From the households not owning their house, 38 percent expressed feelings of tenure insecurity (ten percent of total households in Krepi). The primary and secondary schools in Krepi and a church are the most visible community based organisations. I have not come across any other organisations. In terms of commercial services there are supermarkets, an iron/metal workshop and some car maintenance workshops.

Nieuwweergevondenweg on the southern fringes of Paramaribo was an agricultural area, cultivated mainly by Indian rice farmers (see map 2.2). In the 1950s these farmers started to subdivide their plots and sold or rented pieces to newcomers in the city. With the exception of a few streets where all plots are still owned by one family, plots are now privately owned. All households have electricity but only 65 percent have piped water. The other households collect rainwater or illegally tap water directly from the pipe. The current drainage system in Nieuwweergevondenweg resembles the system that was used when rice production was still the main activity in the area and has not been adjusted to today's residential function. Flooding of streets and plots is therefore a major problem during the rainy season. Water doesn't run off, which severely affects accessibility and causes unhygienic situations. The section of Nieuwweergevondenweg that was selected for this research provides living space to 800- mostly low-income- households of different ethnic groups, including new immigrants such as Chinese and especially Marron. Similar to Krepi, 47 percent of households live in a house of good quality. More than a third lives in an

[18] This was explained to me in a personal conversation with Mr. D. Ferrier in 2003.

all-concrete house and a similar fraction in a wooden house. A quarter has a house of combined stone and wood. Tenure insecurity is experienced by 31 percent of the households that do not own their houses (11 percent of total households in Nieuwweergevondenweg). The Seventh Day Adventist church is very active in Nieuwweergevondenweg and it operates a church, child care centre and a school. This is the only significant community organisation in Nieuwweergevondenweg. Residents use facilities from Latour, such as churches and the local community organisations. Commercial services are found in abundance along the main road: hairdressers, beauty saloons, supermarkets, car maintenance et cetera.

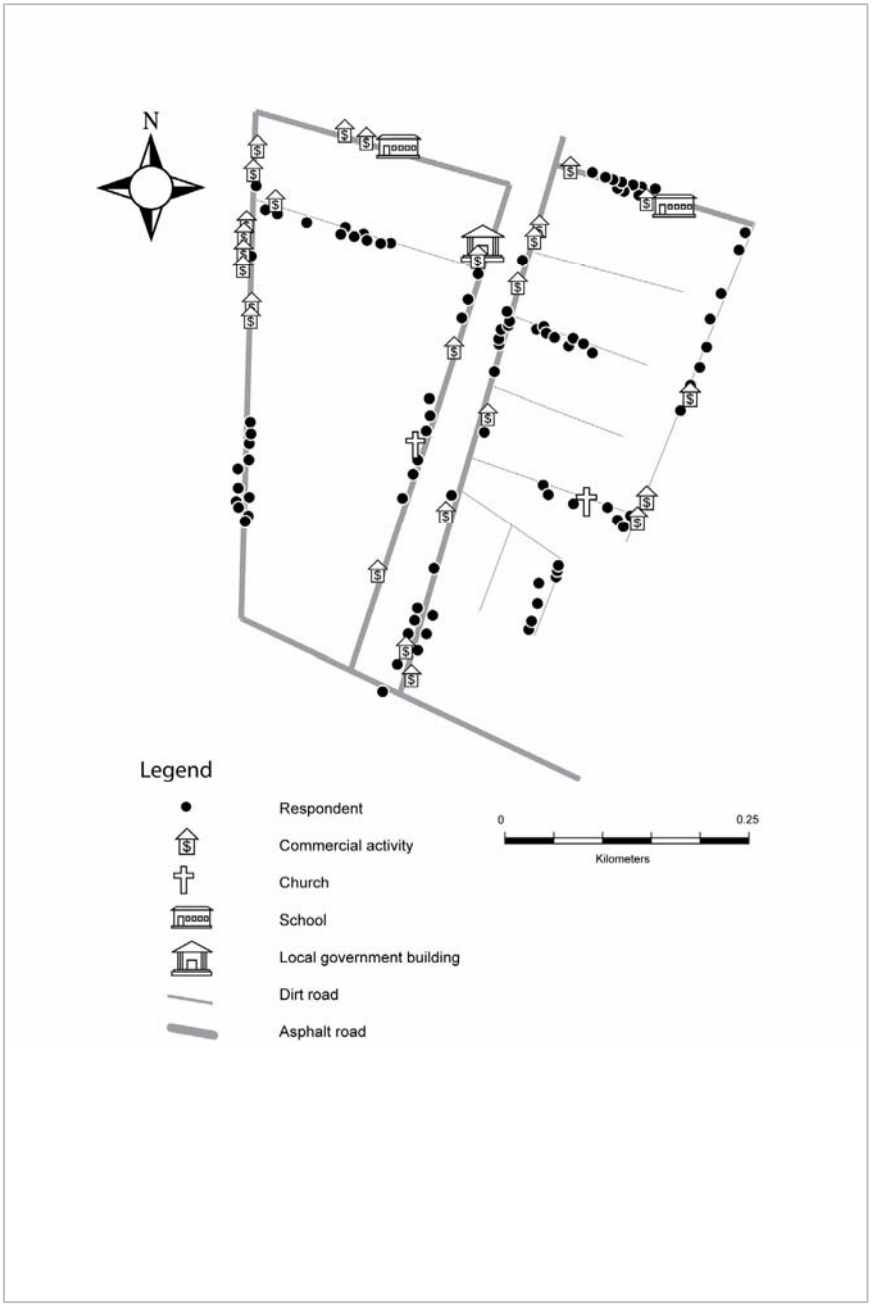
Gonzales in Port of Spain is located just outside the city centre (see map 2.3). It is part of East Port of Spain, known as thè low-income area in Port of Spain where almost exclusively people of African descent live. We distinguish Upper and Lower Gonzales. Originally Gonzales was often related to the neighbouring Belmont and a working-class area. Nowadays, it is usually mentioned in one breath with the neighbouring Laventille-community, despite the fact that the latter is part of another administrative entity. Both areas have a bad reputation with regard to violence and poverty. I never experienced any problems in this community or any other I visited.

Lower Gonzales is a more or less planned community: two streets (approximately 100 houses) were subject of a government housing project in 1930s; the other streets were privately developed. In the 1940s and 1950s many low middle-class households moved to the community. The economic crisis of the 1970s and 1980s had huge effects on Gonzales and today's inhabitants can best be described as poor and lower working-class. Unemployment is a major problem in the community. The area is hilly but accessible through tarred roads. Electricity and piped water are provided. Half of the household live in a home of good quality. Half of the houses are made only of concrete, 44 percent of combined wood and concrete and the remainder six percent only of wood.

Upper Gonzales is a squatter settlement situated on the steep slopes of Gonzales hill. Its development started in the 1970s. During my presence the area was subject to a procedure whereby tenure of squatter settlements was regularised.[19] Most households in Upper Gonzales have electricity but lack access to water. They use standpipes, collect rainwater or (when living on top of the mountain which is accessible by road from Laventille) buy water. Furthermore, due to the steep hills and absence of roads, access to houses is very limited. The residents are of African descent and mainly first or second-generation immigrants.

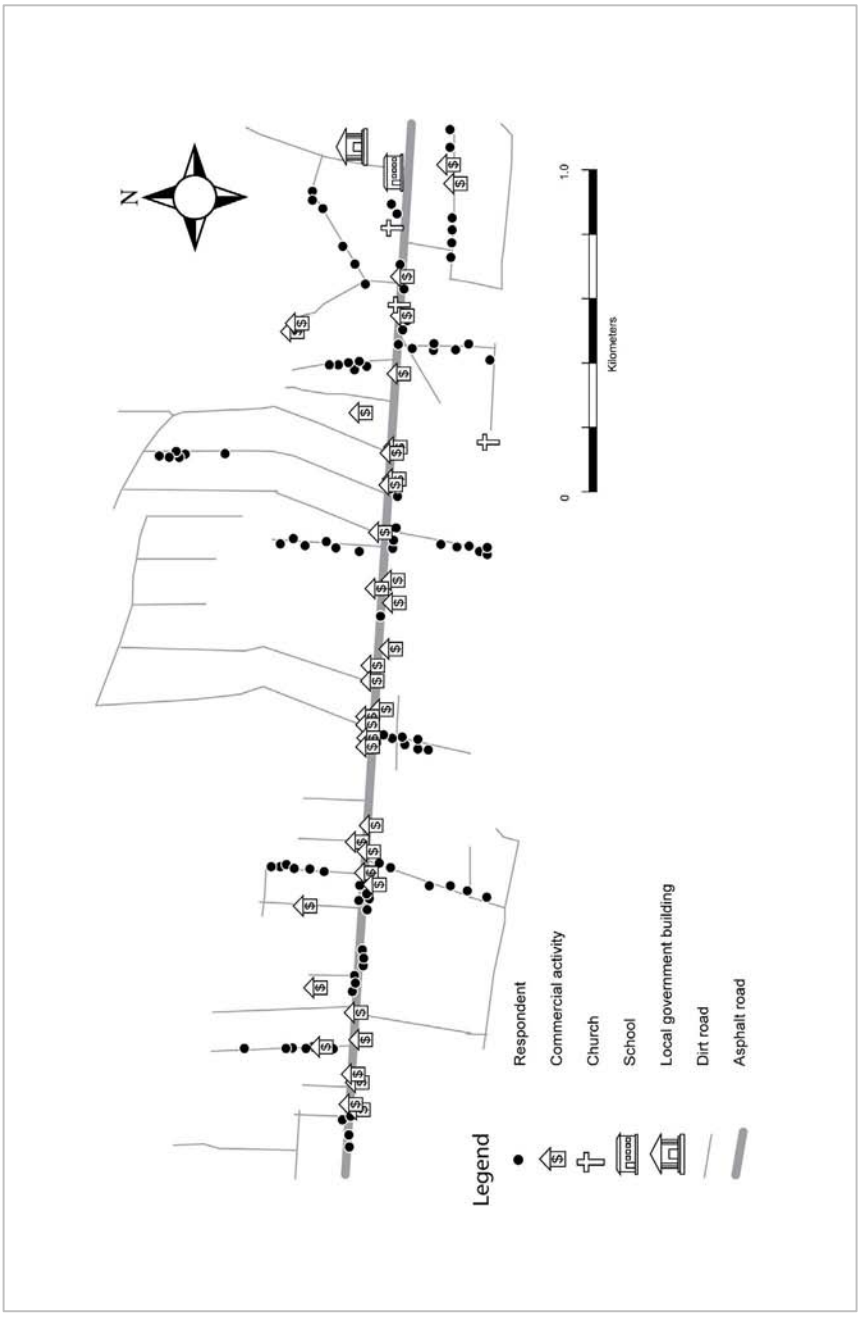
[19] Under section 4 of the State Lands Act of 1998.

Map 2.1: Krepi



Source: Author

Map 2.2: Nieuwweergevondenweg



Source: Author

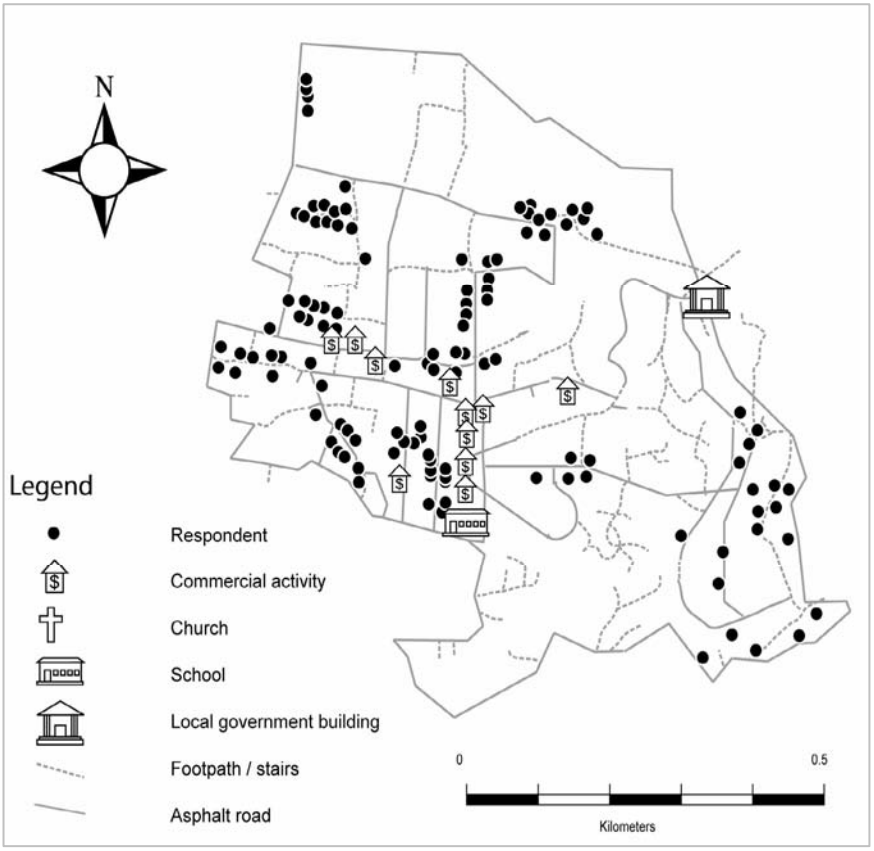
Approximately 800 households live in Gonzales. Approximately 18 percent of the households that do not own their homes experience tenure-insecurity. This is ten percent of all households in Gonzales. Interestingly, households that live on squatted land do not experience tenure insecurity. First of all they generally own their homes. But more importantly, they do not consider their tenure situation to be insecure. Their long stay in the community and the fact that the government or any other private owner has never made an effort to demolish the area contributes to households' feelings of tenure security. Most of them do not expect to have to leave their land and homes behind. That this is not just a statement is shown by the fact that the majority of the houses on squat land are made of stone/concrete (61 percent) or concrete combined with wood (19 percent). Concrete is more expensive and more important, permanent. Building on an insecure site is preferably done in cheap and moveable material. The fact that most of these households are enhancing their legal tenure status through aforementioned procedure is more a confirmation of already existing feelings of tenure security among the residents. Several community organisations are active in Gonzales. For example, a steel pan group, a youth sports club, a school, Jubelange community organisation and the local parish. From 2004, several of these community organisations and the local parish have been very active and successful at building a sense of community, in order to reduce crime. This is happening in cooperation with the local authorities in Port of Spain and urban planners and includes physical and social upgrading of the community. Commercial establishments are mainly small parlours operated by local residents. One larger supermarket was established in 2002.

Mount d'Or is located along the main road in the East-West corridor, the main urban region in Trinidad and Tobago (see chapter three). The neighbourhood is located on the steep slopes of the mountain (see map 3.4). Except for a few houses along the main road (diverging after a few hundred meters), houses are only accessible through stairs or steep, narrow roads. The provision of water has been a major problem in the neighbourhood. Piped water is provided on an irregular basis to households living along the main roads (46 percent). The other households rely on standpipes, their neighbours, collection of rainwater or a well. Of all households 38 percent live in a good house. Almost two-third live in a concrete home and quarter in a wooden home. The remainder six percent lives in a combined wooden and concrete house.

Part of the neighbourhood is a squatter settlement (13 percent) that as yet has not been regularised. Private owners and the local government own other parts of the land. 63 percent of households own their house, 18 percent live in a home owned by family or family property and 23 percent live in a home owned by strangers. About ten percent of the households

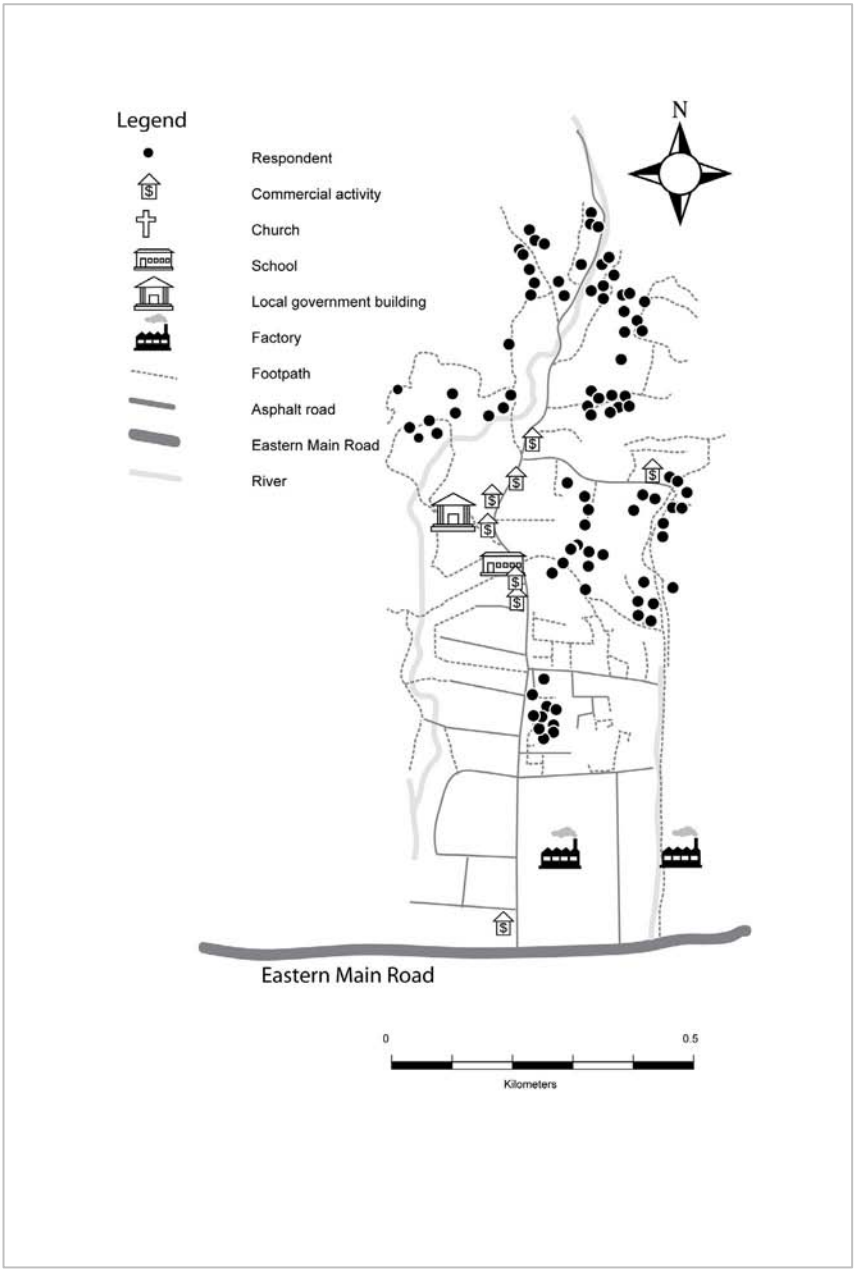
that do not own their homes (three percent of total amount in Mount d'Or) experiences tenure insecurity. These are all squatters. The community is Indian-African mixed but dominated by people of African descent. Residents in the lower parts of the neighbourhood belong to the upper working-class, whereas people living further away from the entrance to Mount d'Or belong to the lower working-class. The Village Council, local PNM group, the parish and a youth group belong to the most important community organisations in the neighbourhood. Also here, parlours and supermarkets are the main commercial services.

Map 2.3: Gonzales



Source: CSO

Map 2.4: Mount d'Or



Source: CSO

Overall, one can say that the variety of commercial establishments in the Surinamese areas is larger and includes restaurants, car mechanics, beauty saloons and larger supermarkets. This is related to the fact that plots are larger and generally better accessible than the ones in Trinidad and Tobago. By comparison community organisations are more present in Trinidad and Tobago than in Suriname. Houses in Trinidad and Tobago are more often made of sustainable material but the quality of houses is comparable between the two.

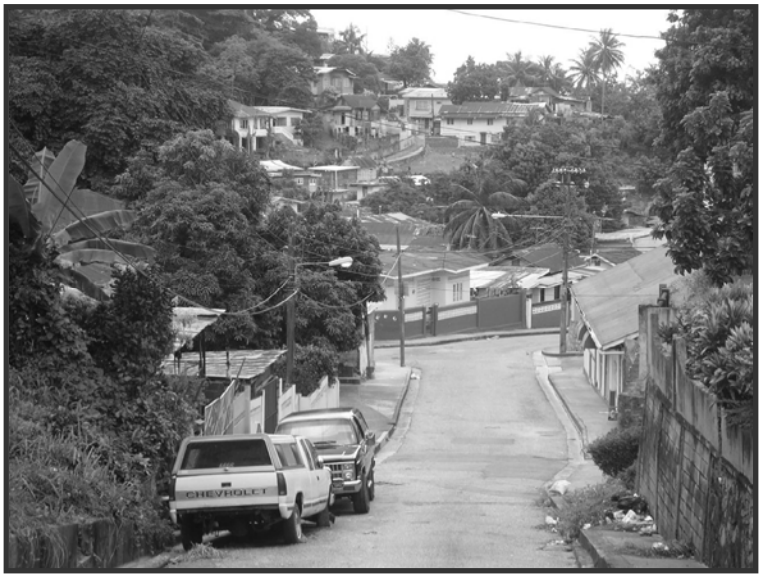
Neighbourhood Relations

Neighbourhoods are expected to be important for HBEAs. Therefore, social relations within the community were an important topic during focus groups discussions. Almost everybody highly valued good relations with neighbours and when asked had clear views on what good relations entail. First of all, good relations mean that neighbours assist each other during emergencies such as sickness, death, accidents or burglary. The fact that neighbours are physically closer by makes them more important than family on these occasions. Neighbours are supposed to 'look out for each other' as a youth from Mount d' Or describes.

Second, good relations mean that neighbours are able to trust each other and do not 'throw each others business on the street'. Moreover, good relations between neighbours, provide opportunities for people to borrow or ask goods (such as food) from each other, assist each other when repairs to cars and houses need to be done or when children need to be taken care of. It also means that people have a right to interfere with each other and 'correct' each other's child. People in the various workshops described how this kind of support used to be 'natural' and existing between 'everybody', whereas today it is more a privileged relationship between a few people. In all communities people complained about the decreased sense of unity within the community and the increased gossiping and distrust between people. What has remained of the old support relations is the 'emergency-care'. As a result of these changes people increasingly prefer to 'stick to themselves'. They will greet each other on the street but try not to 'mix' too much since that is expected to only cause problems in the short or long run:

> 'Yeah, I am good with my neighbours. I tell them good afternoon when I meet them on the street and if they invite me for a funeral or wedding or *bigi jari* I will go. If they need it, I will try to help them. But I do not go to their place and spend much time with them. You know, in the end that will only cause problems. They throw your business on the street or may accuse you of all kind of things. No, I rather keep my distance' (Greta, Krepi, Suriname).

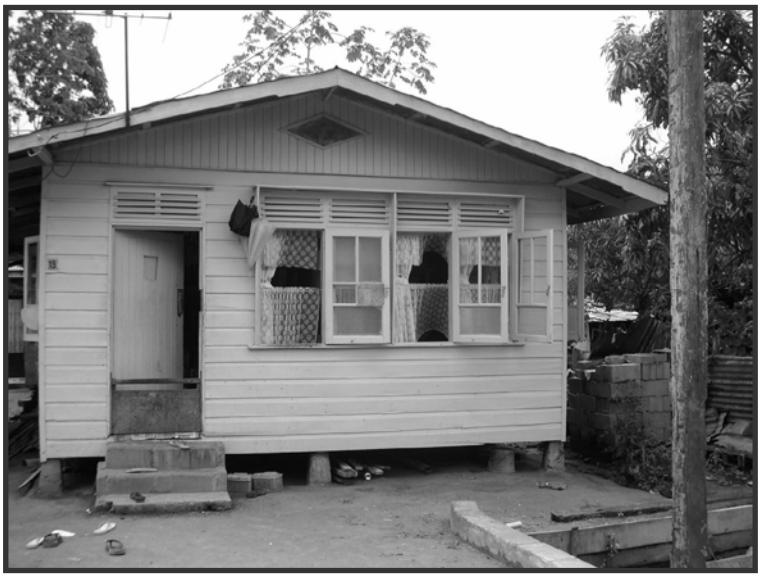
People mentioned several factors as a cause of these changing relations between neighbours. These related to the composition of the community and to the spatial structure of the neighbourhoods. First of all they mentioned the arrival of 'new people' in the area, especially in the inner-city areas. These new people came in the area and have, in the eyes of community, not conformed to existing norms and values. Furthermore, people's lives have become increasingly complex, diverse and fragmented and community life has become less important and less relevant to people: 'it is work, home, work, home for everybody' (Mount d'Or). Another problem is the lack of accessible and safe public spaces in all communities except for Mount d'Or, which has a sports field and community centre that are relatively well accessible. Finally crime (theft), drugs and gangs, though sometimes seen as caused by 'outsiders coming in the community', further jeopardize the 'natural' support relations between neighbours and active participation in community life. Being on the street, 'liming on the block' has become associated with bad behaviour, crime et cetera and is confined to the man and boys' domain. Girls and women are not supposed to hang around the streets and with few community activities around, they need to meet at home or talk on the phone. It is hard to say whether the quality of social relations in the community has really gone down or whether this is a perception similar to the idea that 'in the old days everything was better'. The fact is that crime levels have increased and fragmentation and diversity in terms of class, geographical origin and ethnicity (in Suriname) have grown. Most important is that peoples' perceptions of what they can expect from their neighbours and the extent to which they can trust neighbours has changed. It is now at a level where most people feel that they can expect neighbours to help them when they need it, but it is hard to go beyond a level of politeness. Distrust, gossip and differences in norms, values and attitudes prevent this. The fragmented relations within the community and increased (perceived) insecurity do affect livelihood opportunities for residents in the neighbourhoods. What's more they affect the opportunities and organisations for HBEAs (see Chapter six and seven).



A view on Gonzales, Trinidad and Tobago

Living above a workshop, Krepi, Suriname

Low-income housing, Gonzales, Trinidad and Tobago



Low-income housing in Nieuwweergevondenweg, Suriname

3

SURINAME AND TRINIDAD AND TOBAGO

IN COMPARATIVE PERSPECTIVE

'Visual surprise is natural in the Caribbean; it comes with the landscape, and faced with its beauty, the sigh of History dissolves'. -Derek Walcott- (Nobel Prize Lecture 1992)

Caribbean countries differ widely in terms of culture, politics, economy, size and physical condition. Yet, large similarities in historical and economic developments exist as well. In the cases of Suriname and Trinidad and Tobago large differences go hand in hand with clear similarities. For one, both countries endured a history of colonisation, slavery and plantation-economy. Furthermore, they share experience of British-Indian labour immigration that has given their population a very distinct character.[20]

On the other hand, the colonial dominance of the Dutch in Suriname and the British in Trinidad and Tobago produced different outcomes in each society that remain visible today, e.g. the difference in languages spoken or educational and judicial systems in force. Moreover, current economic and political features are very distinct. Trinidad and Tobago's economy is booming whilst Suriname is slowly recovering from the economic crisis that has paralysed it for nearly 20 years. The economic integration of the Caribbean has benefited Trinidad and Tobago much more than Suriname (Girvan 2005a). Trinidad and Tobago has been a member of the Caribbean Community (CARICOM) and its predecessors, Caribbean Free Trade Association

[20] This is referred to as 'indentureship' in Trinidad and Tobago. Also Suriname's neighbour Guyana experienced indentureship.

(CARIFTA) and The West Indies Federation, since their establishment in 1973, 1965 and 1958 respectively (CARICOM: website 2007). Suriname's international orientation has remained on the Netherlands. Relations with other CARICOM members, Brazil and the Dutch Antilles have only recently become more important. Suriname joined the CARICOM in 1995, but its economy has not been able to benefit much from CARICOM yet.

This chapter situates the study in the regional context. It does so through a comparison of the social, political and economic profiles, and histories of Suriname and Trinidad and Tobago. It also portrays existing data on the characteristics of poverty in each country. Moreover, it relates these to the specificities of current policies, institutions and organisations relevant to this study, i.e. in the field of poverty reduction and entrepreneurship. The chapter starts off with country-specific historical overviews of the political and social-economic developments before and after Independence. Then the current social-political and economic situations in each country are compared.

3.1 Suriname and Trinidad and Tobago: A Historical Perspective

Until the end of the 15th Century Suriname and Trinidad and Tobago were inhabited by various groups of Indigenous people such as the Arowak and Carib.[21,22] It was a sparsely populated region with a subsistence economy. This changed when in the late 15th Century European expansion reached the Caribbean region. Close to five centuries of European colonisation, slavery and indentureship transformed the region's economic, political and social structure. Yet, more then anything else, it has shaped the composition of today's population.

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[21] Recently, studies in Trinidad and Tobago (e.g. by Kim Johnson (online) and Maximillian Forte (2005)) and in Suriname by Karin Boven (2006) have generated new information on the history and current situation of Indigenous groups. Johnson for instance shows that the names Arowak and Carib are incorrect.

[22] Indigenous people are referred to as 'Inheemsen' (translation of 'Indigenous') in Suriname and as Amerindian in Trinidad and Tobago. Here, I have chosen to use 'Indigenous'. Though small, in both countries still groups of Indigenous people live. In Suriname, they reside mainly in the interior and in Trinidad and Tobago around Arima.

Suriname

Until the early 17th Century, Suriname was only inhabited by various Indigenous tribes. In 1499, the Spanian Alfonso Ojeda had taken an expedition to 'The Wild Coast' of South America but considered it uninteresting. Later the myth of Eldorado motivated adventurous Europeans to explore the area. In the first half of the 17th Century, small independent outposts were set up in Suriname by the Spanish, French, British and Dutch (Hoefte 2001:1-3). The British were the first to formally colonise Suriname when Lord Willoughby, the governor of Barbados, took possession of the land in 1651 (Wolbers 1861). Suriname became a sugar-colony. An important role in this was played by Portuguese Jews who arrived in Suriname from Brazil, Holland and England. They had considerable experience in sugar-production, which helped the start-up of the sugar industry in Suriname (Van Lier 1971).

The Dutch participation and interest in the West Indies was mainly related to trade. They controlled more than half of the shipping between Brazil and Europe. Furthermore, they had a settlement in Brazil until 1654 (Buddingh' 1995; Van Lier 1971). The West Indian Company, which had the monopoly on trade and navigation between West-Africa and The America's, became more and more interested in Suriname and in 1667 Abraham Crijnssen conquered Suriname. The Treaty of Breda, signifying the end of the Second English War formally assigned Suriname, then Dutch Guyana, to the West Indian Company. In this Treaty it was arranged that all parties involved could keep the captives they had made. It meant that Holland reigned over Dutch Guyana and England was given power over New Amsterdam (now New York).

At the time of Crijnssen's invasion, Suriname produced sugar and tobacco but after 1700 the tobacco production came to a standstill. From the mid 18th Century Suriname started a very successful venture in the production of coffee, which for a while became more important than sugar. In the early years of Dutch rule, the number of plantations considerably declined because British planters left and social unrest discouraged new planters from settling. Consequently, the Dutch actively stimulated people to settle in Suriname.[23] Still, the most important group of settlers was the large numbers of slaves shipped from West Africa to work on the plantations. An estimated 200,000 to 220,000 slaves arrived in Suriname until Emancipation in 1863. Slaves increasingly resisted slavery conditions and their gruesome treatment. Many chose to escape from the plantations.[24]

[23] From Holland prisoners and orphans were brought in. Other European settlers came from France (Huguenots) and Germany (mostly from the Pfalz region).
[24] Similar events have taken place in Jamaica.

These slaves are generally referred to as Marrons.[25] They settled in the forested interior and attacked the plantations. For years, the authorities and army tried to recapture the slaves and realise stability. In the period 1760-1793 peace treaties were signed with a total of six groups of Marrons. These granted them autonomy and made them the first group of slaves to be freed from slavery (Van Lier 1971; Wolbers 1861). At the time, the population in Paramaribo was demographically diverse and contained a large group of free coloureds and free blacks. Although Dutch policy formally made a distinction between free whites and free non-whites, the practice in Paramaribo was that free non-whites increasingly occupied important positions (Hoefte 2001:13).

The Dutch government formally abolished slavery in 1863. It was the last European country to do so. Subsequently, a ten year period of forced- but paid- labour followed (Van Lier 1971:133). Similar to Trinidad and Tobago, Suriname had to find a solution for its labour needs. The answer was found in Asian immigration, particularly from (northern, then British) India ('Hindustani') and Indonesians ('Javanese') (De Waal Malefijt 1963). After a more or less failed 'experiment' with Chinese immigration, in 1873 the first shipment of Indian immigrants arrived in Suriname. In the period 1873-1916 over 34,000 Indian immigrants arrived in Suriname. After ten years of labour, they were entitled to a free passage back. The high costs of the return passages motivated the authorities to stimulate permanent settlement of Hindustani in Suriname. It did so by providing farming land to them (De Klerk 1953; Speckmann 1965). Yet, the constant interference of the British-Indian government induced the search for alternatives to this immigration. The alternative was found in the immigration of 33,000 Javanese labourers in the period between 1890 and 1939 (De Waal Malefijt 1963).

The world economic crisis of the first decades of the 20th Century affected the agricultural sector in Suriname and created unemployment, poverty and social unrest. Moreover, in the course of the century, large scale plantation agriculture became less important and was replaced by small-scale production (Van Lier 1971). The agricultural production diversified to include rice, bananas and citrus. The exploitation of bauxite started in the first decennia of the 20th Century and by 1938 was more important than sugar. After the Second World War, its importance further increased and was exploited by foreign, mostly US, companies (e.g. Alcoa). Hence, Suriname fits the description of a plantation economy. Plantation economies share the social institutions characteristic of plantation agriculture: high foreign ownership of production; export orientation of agricultural products; hierarchical structures with social, economic and

[25] In English the term is Maroons but I will use Marron in this thesis.

political power in the hands of a few people, mainly from outside the country (cf. Best 1968; Levitt 2005; Girvan 1996; Beckford 1972) Other than that, its production structure was narrow, not generating much labour and resulting in a negative balance of payment. The local elite worked for the government and in the trade sector and did not stimulate the development of small manufacturing (Buddingh' 1995).
In 1954 Suriname gained self-government from the Netherlands. In 1975 a narrow majority in its parliament agreed on Independence which was granted in the same year. Johan Ferrier became the first president of the country. Relations between the two countries have remained strong. At Independence, 3.5 billion guilders (US$ 1.7 billion) were reserved by the Dutch Government for aid and development of Suriname (Treaty Funds). Since both countries have to agree on the allocation of the money, relations between the Dutch and Surinamese government have remained strong and often difficult. Contrasting visions on the allocation of the Treaty Funds emerged immediately after Independence. The political developments after the military coup in 1980 but particularly after the December Killings in 1982 have led to tense relations between the two. The Dutch government has frozen the Treaty funds several times in reaction to political developments in Suriname (M.Schalwijk 1994). As the Treaty Funds contribute substantially to Suriname's economy, this has major consequences for its development. In addition, The Dutch government has demanded economic restructuring in Suriname as a condition to restart the flow of aid. Marten Schalkwijk (1994), Kruijt and Maks (2001) and Gert Oostindie (1998; 2001) have written extensively on the relation between the Dutch and Surinamese government.

Trinidad and Tobago[26]

Until the late 15th Century Trinidad was sparsely populated by groups of Indigenous people. Christopher Columbus was the first European to set foot on the shores of Trinidad in 1498. From that moment Spain ruled Trinidad, until it was surrendered to England in 1796. For almost two centuries, the Spanish government took little interest in settlement and colonisation of Trinidad. Gold and silver were not available on the island and developing a plantation economy was hard. The island was covered with lush tropical rainforest and the little labour available from the Indigenous populations was nearly wiped out by the harsh regime of the Spanish settlers. Furthermore, Spanish colonialism weakened considerably during that time (Brereton 1981). The Spanish interest in Trinidad grew in the course of the 18th Century when it realized that the island was crucial for the continuation of Spanish colonial presence in South America.

[26] Trinidad and Tobago were separate entities until 1898. In that year they were subsumed under one British Crown Colony. Each island has experienced its own historical path and will be discussed separately with emphasis on Trinidad.

Trinidad therefore needed to become a flourishing plantation-society, hence to be populated by a larger number of settlers and their slaves. As a result, Spain was forced to stimulate immigration of non-Spanish planters. From the late 18th Century the doors were opened to the settlement of Catholics from friendly countries. In particular French planters from neighbouring islands made the step to Trinidad. The result was, as stated by Williams (1962:41) '[the transformation] of a backward Amerindian colony governed by Spain into a Spanish colony run by Frenchmen and worked by African slaves'. The population of French planters consisted of white planters but also free coloureds and free black settlers. They soon outnumbered the Spanish and Indigenous population of Trinidad. By far the largest group though were slaves. Some had come with French settlers but more and more were brought from Africa by British slave traders. In the period 1783-1797, Trinidad quickly developed a thriving export of agricultural products, such as sugar, cotton and cocoa (Brereton 1981).

The British Empire was eager to reign over Trinidad. It was a prosperous country and was expected to enable British access to the South American mainland. In 1797, the British sea force attacked Trinidad, and the Spanish governor surrendered it to Britain.[27] In the early years of British rule, Trinidad's economy boomed and within five years the number of slaves had nearly doubled. This influx of slaves decreased from 1807 when British slave trade was forbidden, and it came to a stand still after the implementation of the Emancipation Act on August 1, 1834. The Act provided the formal abolishment of slavery but allowed unpaid 'apprenticeship' for another six years.[28] Similar to Suriname, Emancipation resulted in labour shortages in Trinidad, which in turn slowed down the growth of the economy. To counter this trend, new sources of labourers were sought. After initial attempts to draw labour from the West Indies, USA, Africa and Europe, the attention shifted to Asia (Brereton 1981:98-100; Williams 1962; Reddock 1994). The first group of Asians were from China and arrived as early as 1806 (Look Lai 1998:22). Yet, by far the largest group of Asian immigrants came from Northern regions of British India. Between 1845 and 1907 as many as 144,000 Indians arrived in Trinidad. A free return passage to India was granted after five years of indentureship. Few Indians returned however, especially after the government had started to provide them land after completing ten years of indentureship. The Indian community, mostly Hindu and Muslim, therefore became a permanent section of the Trinidadian population with a strong orientation towards agriculture and, increasingly, trade.

[28] This period however was shortened to four years, ending on August 1st 1838.

Brereton (1981:116) describes how in the late 19th Century, Trinidad was a highly segmented society consisting of a white (mostly French) upper class, a black and coloured middle-class, a Creole working-class, and an Indo-Trinidadian working-class. The Indian society was separated from the Creole society. As will be discussed later in this chapter, such segmentation is still visible in 21st Century Trinidad.

The first decennia of the 20th Century were times of economic hardship and change. The cocoa and sugar prices boomed immediately after World War I, but deteriorated in the following 15 years. The contribution of agriculture to Gross Domestic Product (GDP) decreased while that of oil, manufacturing and services increased. Oil had been discovered in Trinidad in the 19th Century, but its exploitation only took off in the 20th Century. This completely altered the face of the Trinidadian economy. Instead of agriculture, petroleum became the backbone of the economy. High costs of living and low wages perpetuated poverty and fuelled social unrest, labour riots and the birth of the first labour movements in the country (Reddock 1994). From the 1930s the British colonial influence on Trinidad and Tobago declined and was gradually replaced by US-political influence (Reddock 1994:182-183). In 1940 the US leased various areas in the Caribbean for military bases. The availability of oil made Trinidad and Tobago a much desired location and several naval and air bases were established (Brereton 1981). This had serious impacts on people's lives and the war economy in Trinidad. Still, the process continued after the Second World War: 'From this time, although British colonial influence continued, US cultural and economic dominance increased throughout every aspect of life' (Reddock 1994:183). Trinidad and Tobago gained independence from Britain in 1962 and became a Republic within the Commonwealth in 1976. Eric Williams became the first prime minister.

Tobago became a ward of Trinidad in 1888. During the 17th and 18th Century, Tobago changed hands 22 times, e.g. between the British, Dutch, French and Latvian. In 1814 it became a permanent part of the British Empire. The island developed into a sugar colony from the late 18th Century but became impoverished during the second half of the next century, as a result of declining prices for sugar on the world market. In 1898 it was linked with the more prosperous Trinidad and became a ward of the Crown Colony of Trinidad (Brereton 1981:154-156). Tobago regained some of it autonomy in 1980 when the Tobago House of Assembly (THA) was established. With the development of tourism in the 20th Century, Tobago's economy was strengthened (ibid:220).

3.2 People and Politics in an Era of Post-Independence

People

Three features of the Surinamese and Trinidad and Tobagonian population are important in relation to this study. Firstly, the population of each country is highly urbanised and the capital cities, including surrounding communities, represent a substantial proportion of the population. Next, both populations are characterised by ethnic diversity to different degrees. Finally, patterns of post-Independence in and out migration have left marks on the shape and size of the population. Moreover, transnational relations and remittances play a crucial role in the livelihoods of local people. These features are discussed for each country below.

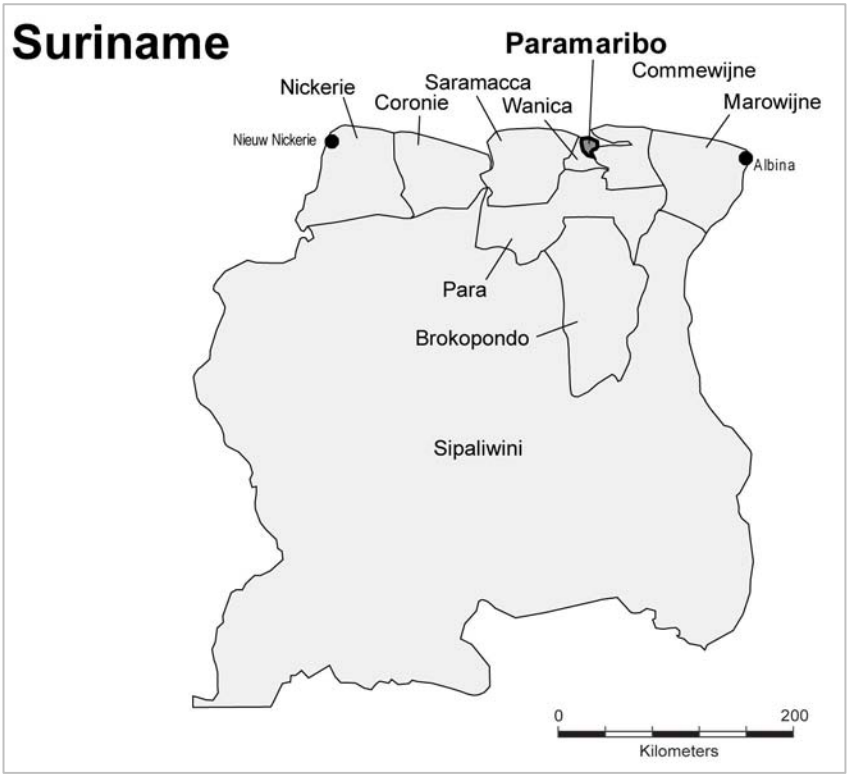
Suriname

Suriname's population counted nearly half a million people during the last census, held in 2004 (ABS 2005a). The spatial distribution of the population over the country is highly unequal. Seventy percent live in urban areas, close to ninety percent of the population live in the coastal provinces of the country, and only ten percent in the much larger, forested interior ('het binnenland'). With an average population density of 3.0 people per km^2, this leaves a large part of the country practically empty (ABS 2005a).[29]

The coastal population lives predominantly in one city: Paramaribo, locally referred to as 'Foto' ('city'). This city in itself accounts for half of the country's population and 'Groot Paramaribo' ('Greater Paramaribo'), i.e. Paramaribo and the adjacent Wanica district, is home to two-thirds of the total Surinamese population (see map 3.1). The remainder of the coastal zone is rural, except for the towns of Nieuw Nickerie (14,000) and Albina (5,000) at the country's Western and Eastern border respectively (ABS 2005a).

[29] This is data from the 2004-census: As urban areas are considered the districts of Paramaribo and Wanica, and the Resort Nieuw Nickerie: 69 percent of the total population lives in these areas.

Map 3.1: Suriname



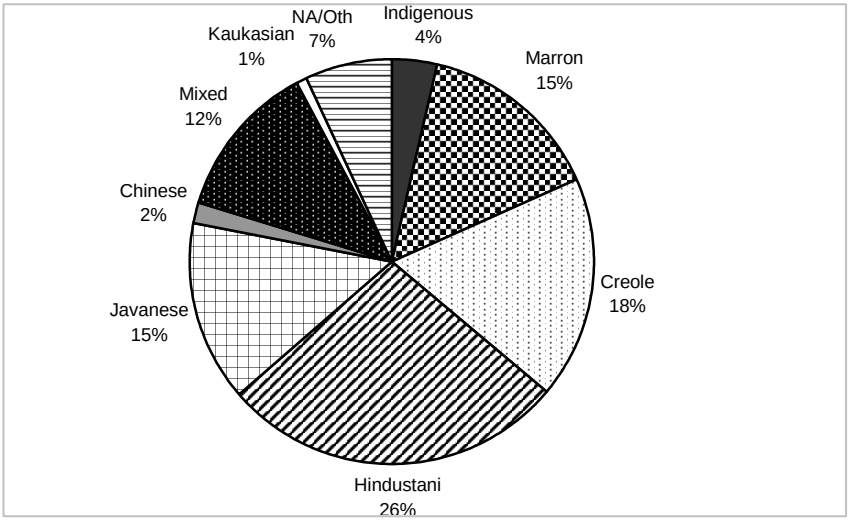
From the 17th Century onwards, the Surinamese population has been shaped and reshaped through the import of labour from various areas in the world. In colonial times, this labour was mainly drawn from Africa, India and Indonesia. Today's immigrants come from China and Brazil (De Bruijne 2007; Tjon Sie Fat 2007). Figure 3.1 demonstrates how this history of migration is visible in today's population composition.[30]

The ethnic-geographic distribution of Suriname's population outside of Paramaribo is diffused. In 2004, 75 percent of Creoles lived in Paramaribo and 60 percent of Hindustani and Javanese in Parmaribo and Wanica together. The third district where the Hindustani population resides is Nickerie and for Javanese it is Commewijne. Slightly less than half of Marrons lived in Paramaribo and Wanica, and a quarter in Sipaliwini. A historical analysis of census data confirms that the Marron population

[30] I have chosen to use the local names for ethnic groups. Trinidad and Tobago speak of 'people of African descent' to refer to descendents of African slaves whereas Suriname refers to Creoles and Marrons. Trinidad and Tobago's East Indians or Indo-Trinidadians are the same group as Suriname's Hindustani.

increasingly moves to Paramaribo (ABS 2005d:9). De Bruijne (1976) describes how, outside of Paramaribo and Wanica, Creoles are most numerous in the districts of Para, Saramacca and Coronie. Indigenous people are also most numerous in the Interior.

Figure 3.1: Ethnic distribution Suriname in 2004



Source: ABS 2005a

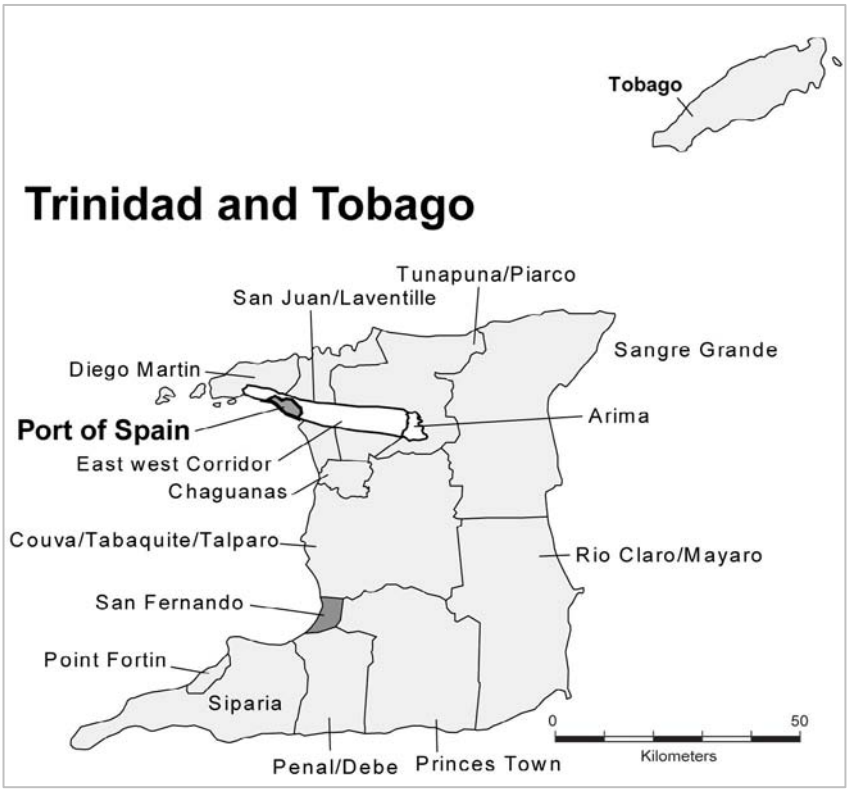
Suriname's recent population developments are shaped by large outward migration. Around the years of Independence, migration from Suriname to the Netherlands was enormous. A recent IMF study estimates that between 1965 and 2000, approximately 45 percent of the Surinamese labour force migrated to OECD countries (Mishra 2006:14). Today's migration flows are modest. Currently, around 332,000 people living in the Netherlands are of Surinamese origin (CBS 2006).[31] This outward migration has caused a serious brain drain in Suriname, which has in turn affected the economic and intellectual potential of the country. On the other hand, the strong relations that are maintained between family members residing in Suriname and The Netherlands result in large remittances. These, in cash and in kind, make up a substantial part of the country's revenues. More importantly, they are crucial for the survival of low- and middle income households. Remittances are difficult to assess but estimated at 13 percent by Unger and Siegel (2006) and four percent by the Inter-American Development Bank (IADB) (2006:38).

[31] This number includes first generation 'allochtonen' (people who were born in Suriname: 186,000) and second generation 'allochtonen' (people from whom at least one parent was born in Suriname: 147,000).

Trinidad and Tobago

The population of Trinidad and Tobago is a little less than 1.3 million of which close to 55,000 live on Tobago (CSO 2002:1). Almost three quarters live in urban areas (UNCHS ND). The population is more evenly spread over the country than Suriname. Within the formal administrative boundaries of the capital city of Port of Spain, only 49,000 people reside.

Map 3.2: Trinidad and Tobago

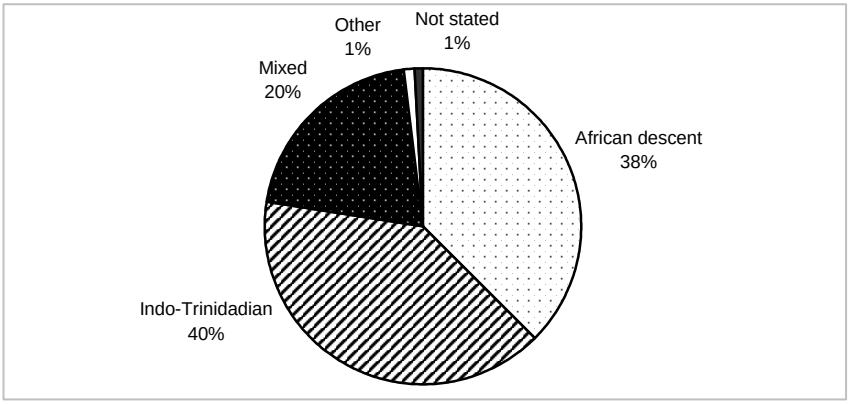


However, the urban region of Port of Spain extends far beyond the administrative boundaries of the city and includes the Regional Corporations of Diego Martin to the West and San Juan/Laventille to the East (see map 3.2). More than 300,000 people reside in these three areas together. Still, the full urban sprawl in Northern Trinidad stretches from Chaguarama in the West to Arima in the East. This so called East-West Corridor consists of villages, towns and suburbs along the Eastern Main Road and provides living space to nearly half a million Trinidadians (Lloyd Evans and Potter 2002:64). Other than the East West Corridor, major urban areas are the city of San Fernando (55,400), the boroughs of Arima (32,300), Chaguanas (63,500) and Point Fontin (19,000) (CSO 2002).

The figure below, figure 3.2, portrays the ethnic distribution of the population on Trinidad and Tobago. It shows that the two major groups, people of African and Indo-Trinidadian descent are almost equal in size and make up 80 percent of the total population. A closer look at the geographical distribution of the various groups shows an uneven pattern. The Indo-Trinidadian population is much more located in the rural areas whereas Port of Spain is an 'African' city (CSO 2007b; Clarke 1993). In comparison with Suriname, this population is bi-polar rather than multi-polar.

Trinidad and Tobagonians have migrated mostly to the United Kingdom, United States and Canada. Most recent data estimates that approximately 200,000 people of Trinidad and Tobagonian descent live in the United States and that in the period 1965-2002 a quarter of the labour force has migrated (IADB 2006; Mishra 2006:14). Skilled labourers and university graduates make up a large section of the migrants (Reis 2007; Mishra 2006). Remittances are estimated at 0.7-1 percent of GDP (Reis 2007; IADB 2006:39). The outward emigration of Trinidad and Tobagonians is countered by immigration from other Caribbean islands, such as Saint Vincent and Grenada and from time to time Venezuela.

Figure 3.2: Ethnic distribution Trinidad and Tobago in 2004



Source: CSO (2007b)

Politics

This study addresses interactions of people and households in organising HBEAs with laws, policies and organisations. Yet, these do not emerge from a vacuum but are at least partly shaped by political practice and ideology. Likewise, development and economic policies and projects relevant for HBEAs are shaped and reshaped according to ideological and political ideas and ambitions. Therefore, it is crucial to sketch a picture of

the most important differences and similarities in political culture between the two countries.

Suriname

Post-Independence Suriname has always been governed by a coalition of several parties, except for the period of military dictatorship. The political field consists of a large number of political parties. During the 2005 elections, for example, people could vote for ten parties and coalitions that altogether represented 25 political parties. However, the political scene has been dominated by four parties: the 'Nationale Partij Suriname' (NPS), 'Vooruitstrevende Hervormingspartij' (VHP), 'Pertjajah Luhur' (PL- and its predecessor 'Pendawalima') and the 'Nationale Democratische Partij' (NDP). The first three have been active from before Independence, whereas the last one has emerged from the military rule in the 1980s.

Five years after Independence, in 1980, a coup by 16 military, was the start of a military dictatorship that lasted until 1987. One of them was Desi Bouterse who soon became the military leader of the country and the *de facto* political ruler. When in December 1982 15 critical opponents who had initially supported the 1980 'Revo' were murdered, the Dutch government cut its political ties with Suriname.[32] It froze the Treaty funds and as a result cut off one of the backbones of Suriname's economy. This, together with the flight of capital from the elite, and falling prices from bauxite was the beginning of a severe economic crisis. After 1987 democracy was gradually restored but the political scenery has remained restless. In the period 2000-2005, when data for this study were collected, Nieuw Front (a coalition of NPS, VHP, PL and the SPA-Surinaamse Partij van de Arbeid, the labour party) was in power. After the 2005 election this coalition was extended to include DA'91 (Democratisch Alternatief '91) and the Marron-based A-Combinatie.

Many political parties in Suriname have a strong ethnic base and are not divided by traditional left-right or progressive-conservative orientations (Ramsoedh 2001:91). Hence, political mobilisation in Suriname has mostly taken place along ethnic lines and class differences hardly play a role. Yet, at the political top, strong relations among political parties have existed since the 1960s. The aim of this so-called V*erbroederingspolitiek* was to guarantee a stable democracy in a segmented society. It meant that cooperation among the leaders from the political parties representing the three largest ethnic groups at the time (Creole, Hindustani and Javanese) was actively supported (Hassankhan 2003; Sedney 1997; Dew 1978).

[32] The trial against Bouterse and 15 others for their role in these murders is to start in 2007.

The political climate in Suriname is characterised by a lack of ideology and a dominance of particular interests (Ramsoedh 2001). The main aim of politicians and political parties is to be part of the centre of power in the country. Their ambition is to serve the benefits of their ethnic group, party or themselves. Therefore, loyalty, clientelism, patronage and personalised networks are crucial elements of political practice (Sedney 1997). This practice is perpetuated by the fact that the government is the largest labour provider, thus an important tool in patronage and clientelism. The role of the state in development and economic policies is, partly as a result of this, large. Ramsoedh (2001:91-92) concludes by stating how the ruling political class regards 'politics and the state as a vehicle for its particularist interest'. In such a political environment, parties and politicians do not benefit from the development of political ideologies and visions on policies for development and change in Suriname. Moreover, it fosters corruption and constraints the development of policies. An often heard complaint in Suriname, especially outside of Paramaribo is that politicians are only interested in their areas around the times of election. Infrastructural projects for instance are often promised or implemented around election time (Dew 1999).

Trinidad and Tobago

Two political parties currently dominate the political scenery in Trinidad and Tobago: the People's National Movement (PNM) and the United National Congress (UNC).[33] In 1962, Eric Williams became the first prime-minister of Trinidad and Tobago. His party, the PNM, was in power until 1986. After a short rule of the NAR in the second half of the 1980s, the PNM and UNC have taken turns ruling the country. In 1990, in the midst of the economic crisis, the Jamaat al Muslimeen, tried to overthrow the government and held the Prime Minister and members of parliament hostage for five days, until they surrendered to the authorities. The leader of the group, Yasin Abu Bakr, it is suggested, still has some political influence behind the scenes. Since 2002, Patrick Manning has been Prime Minister of the PNM administration and the UNC forms the official opposition.

Similar to Suriname, political parties in Trinidad and Tobago have a strong ethnic base. The PNM finds most supporters among people of African descent, whereas the UNC is Indo-Trinidadian based. Yet, two prime features of the Trinidad and Tobagonian political system produce different outcomes in terms of governance and ethnic tensions. First of

[33] Recent political developments (2006-2007) have resulted in a split of the UNC. Despite their importance for the political scenery in Trinidad and Tobago, these developments have been excluded from this study. In 2007, new elections will be held.

all, the Trinidad and Tobagonian system is primarily bi-polar, and, second, there is no such thing as cooperation between political leaders at the top (Ryan 2003; Meighoo 2003:270). On the contrary, politicians use racial sentiments to openly criticise their opponents and keep their constituents committed.

In this type of political culture, it is no surprise that most actions of political parties are aimed at maintaining or enlarging their support (Craig 1974). A factor promoting this is the electoral system of the country. In Trinidad and Tobago the House of Representatives is made up of the 36 winners of the elections in 36 districts.[34] Due to the geographical distribution of ethnic groups and the strong ethnic basis of the political parties, the winners of 31 of the seats are known beforehand. The five remaining seats are considered 'marginal seats'. Winning votes in those districts is most lucrative. Residents of those five seats usually receive lots of attention, in time, funds and promises, from the political parties especially around the times of election (John and Ward 1999 in Walraven 2007:35). For example, the unemployment relief project CEPEP, introduced shortly before the 2002 elections, has been accused of being used for electoral gain. The political climate combined with the ethnically dispersed population can easily foster ethnic tensions. It fosters sentiments that the interests of only one ethnic group are considered (Sriskandarajah 2005).

The government in Trinidad and Tobago has a strong neo-liberal ideology. Still, this ideology is not related to a specific political party but has been leading all governments ever since the implementation of the IMF and World Bank stimulated Structural Adjustment Programme (SAP) in the late 1980s (cf. Tang Nain 1997; Payne and Sutton 2001). The section below on current development policies and projects goes into this further.

3.3 From Boom, to Bust, to..? Macro-Economic Situation after Independence

Historically, Suriname and Trinidad and Tobago share a past as agriculture-based plantation economies producing sugar, coffee and cocoa. Until the early 20th Century the export of these products formed the backbone of their economies. During the World Crisis in the 1930s agricultural prices collapsed. At the same time, the exploitation of the oil reserves in Trinidad and Tobago and bauxite in Suriname took off. These products soon took over the lead in economic importance and remain very important in today's economies. This section explores the economic

[34] The next elections will extend the number to 41.

developments after Independence in 1975 (Suriname) and 1962 (Trinidad and Tobago). The social impacts of these developments are discussed thereafter.

Suriname

Officials in Suriname often refer proudly to its 17th position on a World Bank scale measuring the *potential* wealth of countries based on national resources. Suriname acquired this position because of its small population in relation to the enormous amounts of natural resources within its boundaries. These resources include gold, bauxite, oil and timber, as well as a potential for agriculture production and fisheries. The actual performance of the Surinamese economy however, is definitely not in concert with this high position.

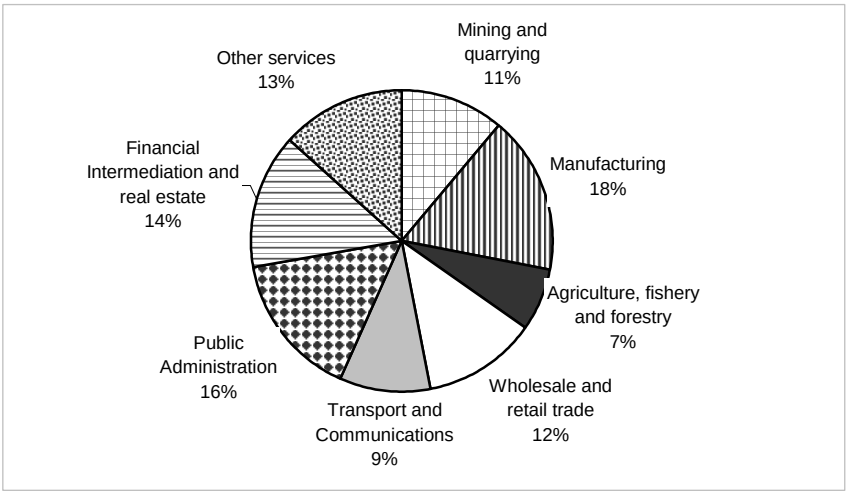
An overview of the main characteristics of the (formal) Surinamese economy is given by Van Dijck (2001:17-18). The bauxite-sector has dominated the export and growth of the Surinamese economy from the 1940s onwards. Its contribution to GDP declined from 30 percent in the 1960s to about nine percent in 2005 (IMF 2007:4).[35] Yet, of crucial importance is its large share in export earnings (De Vries Robbé 2004; Martin 2001:45). Recent IMF data show that its share decreased from 55 percent in 2002 to 48 percent in 2005 (IMF 2007:33). This decrease is the result of the growing importance of gold and crude oil since the 1990s (ibid.). The mining of gold takes place largely outside the formal sector and its contribution to government revenues is limited. Yet, its share in export is estimated to have grown from 13 percent in 2002 to 36 percent in 2005 (IMF 2007:33). Of particular importance is the 2004 opening of the Rosebel Goldmine. Crude oil is a promising sector for Suriname's economy, but so far its contribution to export and GDP have remained modest (six percent in 2005- IMF 2007:33). The importance of the agricultural sector for GDP and exports is much smaller (16 percent in the period 1990-2000) (Regering Republiek Suriname 2001:41). The agricultural sector consists of a few large-scale parastatal companies that produce agricultural products for the export market (mainly fish and shrimps). Small-scale agricultural activities produce mainly for the local market. The manufacturing industry in Suriname plays a role in the domestic economy, but is insignificant in terms of export. Imports of goods and the trading sector are an important element and was in 2004 almost equal to the size of the export market (ABS 2005d:32-33). Since the 1960s, the government sector has increased and contributes significantly to the GDP. Moreover, it is the largest employer. In 2005, the majority of the working population (62 percent) had a government job

[35] This is the total share of the mining sector.

(IMF 2007:11). Figure 3.3 shows the shares of various economic sectors to Suriname's GDP in 2004.

The critical role of bauxite in the economy makes Suriname highly dependent on external factors, i.e. the volatility of bauxite prices. Domestic policies can be mobilised to mitigate these effects. Yet, the high government expenditures that often exceed incomes and foster fiscal deficits, have reinforced rather than reduced these effects (Caram 2007:73; Van Dijck 2001:31). Furthermore, the government has not concentrated on stimulating the development of sustainable economic activities, but created an environment 'conducive to …informal activities' (Van Dijck 2001:32).

Figure 3.3: Share of sectors in GDP (current prices) in Suriname 2004 (estimated)



Source:(ABS 2005d)

The high share of imports in Suriname's economy creates a large and continuous demand for foreign exchange. The revenues of the bauxite, remittances from migrated Surinamese and (especially immediately after Independence) the Treaty Funds are prime sources of foreign exchange (Van Dijck 2001:1-2; Buddingh' 1995). In the 1970s, bauxite prices on the world market were high and large flows of (Dutch) aid funds reached Suriname. This resulted in high economic growth figures and an all time high GDP per capita in 1980. After 1981, the picture changed drastically. In 1982, after the 'december killings', the Dutch government froze the Treaty Funds. Simultaneously, the prices of bauxite on the world market tumbled. By 1985, Suriname's income had decreased considerably. As (government) expenditures remained high, a large fiscal deficit emerged (Caram 2007). Monetary financing resulted in a large amount of money in the country. As a result inflation rates, lower than ten percent before 1985,

increased annually to reach 368 percent in 1994 (Braumann and Sukhdev 1999).[36]

When in 1994 the prices of bauxite rose again, inflation was reduced and some economic stabilisation was realised. Yet, in 1999 the same pattern started all over again. Then, large government expenditures were not covered by incomes from the bauxite industry.[37] When the Surinamese guilder devaluated with tens of percentages in a few days, massive protest demonstrations took place in May 1999. The government stepped down, called new elections and in 2000 a new government was installed. In the 1990s initiatives were taken to implement a Structural Adjustment Programme (SAP) in Suriname but not all measures have been executed. As such the influence of World Bank and International Monetary Fund policies on Suriname have been limited. Yet, current processes of trade liberalisation and globalisation affect local economic opportunities. The real GDP-growth over the period 1990-2000 was only five percent but including the contribution of the informal sector about nine percent (ABS 2005d:20-21). Suriname holds the 89th position on the Human Development Index (UNDP 2006). Its position is similar to Tunisia, Paraguay, Fiji and the Caribbean islands Saint Vincent and the Grenadines. Its Purchasing Power Parity (PPP) was estimated at US$ 6,590,000 in 2002 (UNDP 2004).

Since 2000 Suriname's economy has taken a positive direction. In the period 2000-2004 an average real GDP growth of 4.5 percent was realised. The expanding mining (oil, gold and bauxite), building- and construction and transport-sector accounted for this growth (VSB 2006; Hakrinbank NV 2007). The rise in GDP, however, has not resulted in increased employment. Similarly, shortages on the balance of payments continued to exist (Jessen *et al* 2006; Planbureau Suriname 2005). After a huge devaluation of the Surinamese guilder in 1999, inflation rates declined to around ten percent in 2004 (ABS 2005c; FIAS 2004:1).

The above discussion of the economy in Suriname is not complete without a discussion on the informal economy. This sector has grown considerably since 1983. Estimates of the share of total informal sector in the GDP are between 15 and 50 percent (de Vries Robbé 2004:38; Van Dijck 2001:38; ABS 2005d). De Vries Robbé (2004) discusses illegal economic activities such as corruption and money laundering and specific

[36] Inflation rates in 1987 were 53 percent, in 1990 227 percent; in 1993 144 percent; in 1996 -0.1 percent; in 1999 99 percent, and in 2002 16 percent (ABS 2005c).

[37] Notably, two bridges (the 'Jules Wijdenboschbrug', a high and large bridge connecting Paramaribo with Commewijne, and the 'Coppenamebrug' crossing the Coppename River) imposed very high costs.

illegal activities within the trade, gold and drug- sectors. He concludes that the lack of enforcement and economic alternatives makes it hard for the government to reduce such illegal and criminal activities and suggests that the size of the total sector may be as high as fifty per cent.

Trinidad and Tobago

The introduction to this chapter indicated that Trinidad and Tobago's economy performs much better than the Surinamese. However, the countries share an important economic feature as well. Both depend on the extraction and export of natural resources and, as a result, are vulnerable to external shocks. Oil and, increasingly, liquefied natural gas (LNG) are the natural resources that fuel Trinidad and Tobago's economy. Developments in Trinidad and Tobago's economy in the past three decades have mainly followed trends in the world market prices of these resources.

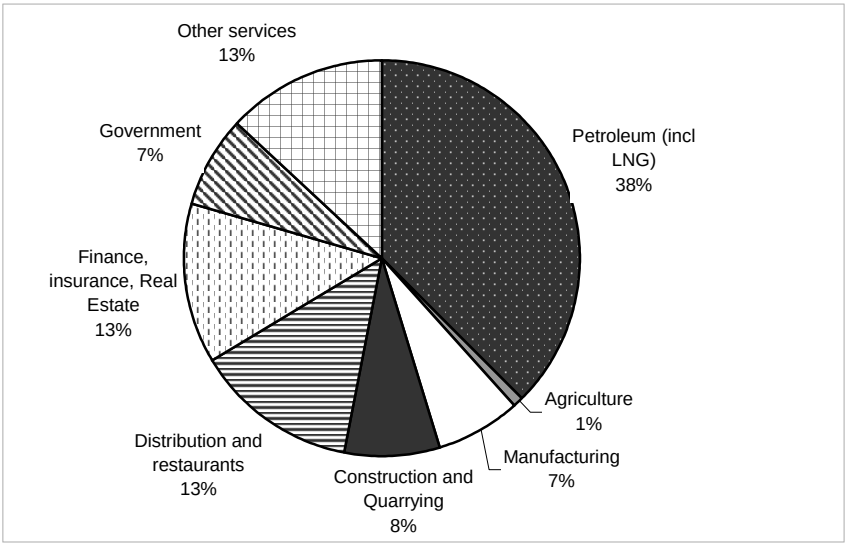
In the 1970s, prices on the oil market were sky high. This had positive effects on GDP as well as on the revenues of the Trinidad and Tobagonian government (McCarthy 1995:42). These revenues were spent on large infrastructural projects and social transfers (e.g. school feeding projects and old age-pensions). Furthermore, Trinidad and Tobago invested in the chemical industry. Crude oil in 1980 accounted for 42 percent of GDP and for 66 percent of revenues. Government spending at the time was 37 percent of total GDP. In the 1980s both the quantity of oil exported and the prices of crude oil dropped. The manufacturing industry was not able to cushion its effects and by the mid 1980s the economy was in a crisis.[38] Negative growth figures were recorded year after year until 1990. In 1986, the GDP was ten percent below the 1980 level. Furthermore, debt service was mounting and shortage in the balance of payments increased (Payne and Sutton 2001). In the early 1990s growth figures went up and have been booming since 2002, with annual growth rates between eight and twelve percent (Ministry of Finance 2004; 2006). In the most recent Human Development Index (UNDP 2006) Trinidad and Tobago takes the 57th position with an estimated PPP per capita of US$ 12,182,000. Its position is comparable to that of Panama, Romania and (the Caribbean islands) Antigua and Barbuda.

In the 1980s and 1990s, the share of oil and the public sector in the Trinidadian economy decreased. The government share went down from 50 percent to 24 percent in 2002. The contribution of oil to GDP decreased from 43 percent in 1980 to 23 percent in 1999. Its share in the

[38] However, because of the Dutch Disease-effect, growth in the non-oil tradeable sector was limited during the time of oil-boom (Kairi Consultants Ltd. 2004).

export value of Trinidad and Tobago in this period decreased from 66 percent in 1980 to 28 percent in 1999 (Kairi Consultants Ltd. 2004:21-22). However, after 2002, the share of the energy sector, i.e. petroleum and LNG, in GDP has grown again to 45 percent in 2006 (CSO 2006a). Similarly, 74 percent of all revenues in 2006 were from the export of petroleum (ibid.). Although absolute growth has been achieved in all economic sectors during this period, by far the largest growth was in petroleum. This means that in 2006, the Trinidad and Tobagonian economy depended on petroleum to the same extent it did in 1980. But, according to both Kairi Consultants Ltd. (2004) and Payne and Sutton (2001) the economy is more diverse than it was in the late 1970s. Figure 3.4 gives an overview of the contributions of various sectors to its economy in 2004. This shows indeed the importance of oil in the economy.

Figure 3.4: Share of sectors to GDP (current prices) in Trinidad and Tobago 2004



Source: CSO (2006a)

From the mid 1980s, consecutive administrations of Trinidad and Tobago have fought the economic crisis by implementing extensive neo-liberal policies of economic liberalisation and reducing the involvement of the state (Payne and Sutton 2001;Tang Nain 1997). In order to stimulate the economy, the then PNM government sought to make adjustments to cut its expenditures and the reliance on imports. These measurements were laid down in the 'Imperatives of Adjustment'. It stressed the importance of growth of export-oriented industrialisation. Furthermore, reduction of shortages in balance of payments were to be realised through a freeze of wages, increased taxation, reorganisation of the public sector, promotion

of the private sector, and reduction of transfers and public sector investment programmes. The PNM lost the elections in 1986 but the new NAR administration continued to make even larger adjustments. In 1988 the IMF and the World Bank were called in for assistance (Payne and Sutton 2001; Kairi Consultants Ltd. 2004) and a SAP was implemented. In 1991 the PNM came back into office. It decided to continue the direction taken by the previous government. This was laid down in the 'Medium Term Macro Planning Framework 1989-1999'. The new direction was to turn Trinidad and Tobago into an 'entrepreneurial state'. Three strategies were implemented: further reorganisation of the state and sales of state enterprises; attraction of foreign direct investment; and further liberalisation of the economy. The UNC administration that came in power in 1995 continued to use the same liberalisation policy as the previous government but was able to put more emphasis on targeting the poor. The current 'Vision 2020' is a further continuation of the same policy. As will be discussed below, the Trinidad and Tobago government uses revenues from the energy sector to counter the negative results of SAPs and general neo-liberal policies through implementation of social programmes.

3.4 A Life of 'Hustling' and 'Pinaren': Social-Economic Trends at Micro-level

Suriname

The economic developments in Suriname after 1975 have had considerable impact on the levels of poverty in the country. From 1980, real wages (i.e. wages corrected for inflation) shrunk and in 1993 many were only 30 percent of the 1980 level (Schalkwijk and De Bruijne 1999). These wages improved in the late 1990s but went down again in 1999. Moreover, the income is distributed unequally, shown by a Gini-coefficient estimate of 0.50 (ABS 2001; Vos *et al* 2001). As Kromhout (2000) and others have indicated, the Surinamese crisis hit the vulnerable groups the hardest, i.e. women, the poor and elderly. For Suriname, the economic crisis has meant that the traditional middle-class almost disappeared. Many households in this class impoverished to a level of 'volksklasse' (lower working-class).

Data on poverty are mostly from before 2000 and vary considerably. This is the result of the use of various data sets and calculation methods (e.g. various poverty lines), analyses based on individual and on households data variously, and the use of consumption versus income lines (Van Dijck *et al* 2000:34-35). The IADB estimated poverty at 41 percent (1990) and 89 percent in 1993 (IADB 1996). Neri and Mencke (1999) estimated poverty at 60 percent in 1993. The ABS (2001) uses consumption and

income lines to calculate poverty. It concluded that in 2001, based on income lines, between 42 percent of households and 74 percent of the population was poor. When a consumption based poverty line was applied, approximately 60 percent lived below the poverty line. ABS arrived at the shocking conclusion that poverty increased from 21 percent in 1968/1969 to a maximum of 74 percent in 2000. However the problem with poverty statistics in Suriname is that incomes may very well be underreported, especially those earned in the informal sector. The percentage of poor people therefore may very well be overestimated. An alternative method of poverty measurement has been developed by Schalkwijk and De Bruijne (1999) who use a wealth-index based on possession of various household appliances. They conclude that in 1992, close to 50 percent of the population belonged to the lower working-class/working poor and that 16 percent were real poor. Thus 66 percent were quite poor which is consistent with the findings of the ABS.

Employment activities are usually the most important livelihood activities performed by households. In Suriname, as noted earlier, the government accounts for more than half of the jobs in the formal sector (Planbureau Suriname 2006).[39] A cut-back and re-organisation of the public sector is considered of crucial importance for structural improvement of the Surinamese economy. Yet, these have not been realised in the period 2000-2004, when both government expenses and government jobs increased. In urban areas other then the public sector, the trade, hotels and restaurants account for about 20 percent of employment (Vos *et al* 2001:193-194).

Unemployment rates in Suriname change on a yearly base. In the period between 1995 and 2005 they oscillated between eight and fourteen percent (ABS 2005c:49). Interestingly, the economic crisis did not affect unemployment figures. The meaning of such unemployment data is limited. First of all, secondary and tertiary jobs are seriously underreported, resulting in a distorted picture of unemployment. Next, 'ghost employees' make it hard to assess formal sector participation (Vos *et al* 2001). 'Ghost employees' are employed by the government but do not spend their (full) labour time in the office. Third, unemployment figures are affected by fluctuations in the size of the labour force (Vos *et al* 2001:197-199). Data for the mid 1990s show that decreasing unemployment rates coincided with a decrease in the labour force. In particular groups where unemployment is high, such as women and youth, withdrew from the labour force. They got discouraged by the opportunities of the formal labour market and searched for other means of income, e.g. in the informal sector, through migration and remittances.

[39] The bauxite sector provides only 2 percent of all jobs in the formal sector.

The 2004 census indicates a labour force participation rate of 56 percent and an unemployment rate of 9.4 percent (ABS 2005e). Further analysis of the data for Paramaribo only shows an unemployment rate for men of nine percent and women of 15 percent, and participation rates of 65 percent and 46 percent respectively (ABS 2006). People with education levels lower than VOJ (Junior High School, comparable to O'levels in Trinidad and Tobago) have unemployment rates well above the Paramaribo-average (i.e. 14 percent).

In times of crisis, households develop coping mechanisms. The primary strategy is to increase the number of income sources. In Suriname one way of doing this is to extend reliance on remittances from family abroad, especially from The Netherlands (De Bruijne and Schalkwijk 1994; Kromhout 2000; Vos *et al* 2001:190). The size of remittances was estimated at US$100 million in 2004, approximately 13 percent of the official GDP (Unger and Siegel 2006). The main coping strategy however, is to increase labour activities. The chances of realising that through formal labour in Suriname are small. Hence, more and more people have taken up (first or secondary) jobs in the informal sector. Various studies in Suriname have discussed the informal urban economy (cf. A. Schalkwijk 1994; Schipper 1994; Menke 1998; Kromhout 2000). The overall conclusion in these studies is that many Surinamese households rely on the informal urban sector to achieve an adequate level of income. 'Hosselen' ('hustling') as working in the informal sector is referred to, has always existed in Suriname but became every day reality for many when the economic crisis hit Suriname in 1980s and 1990s. Many people who work in the formal sector, maintain a second job on the side. Examples are taxi drivers, painters, caterers and other HBEAs. For some, this side job may actually be their main job in terms of labour time spent or income earned. These secondary jobs, just like activities from full-time self-account workers and many small entrepreneurs, are organised informally (cf. Simons 1995). The Surinamese Planbureau estimates that approximately 42 percent of all people working in Suriname work in the informal sector (Planbureau Suriname 2005). Yet, based on data from the Surya model of the Planbureau Suriname (2006) and the Central Statistical Office (ABS) I have made my own calculations of the share of informal sector labour in 2004. These indicated that 54 percent of jobs are informal.

Trinidad and Tobago

The macro-level developments that occurred in Trinidad and Tobago resulted in relatively high real wages in the 1970s and moderate levels of unemployment. This changed in the 1980s. Unemployment increased sharply and by 1986, real wages in the public sector had decreased by 28 percent. Poverty rose and included 'new poor' (Payne and Sutton 2001;

Kairi Consultants Ltd. 2004). From the mid-90s this downfall has been countered with decreasing unemployment and increasing wages. The Gini-coeffient improved from 0.45 in 1981 to 0.39 in 1997/1998.[40] Yet, the neo-liberal policies introduced at the beginning of the economic crisis hit the middle and poor segments of the population, and the local entrepreneurs hard. Unemployment rose especially in these groups, for instance, as the result of reorganisation of both the public sector as well as small enterprises. Furthermore, they felt the burden of wage freezes and reduction of government expenses on subsidies and other social transfers.

A study by Kairi Consultants Ltd. (2004) for the Inter-American-Development Bank is the most recent and comprehensive study on poverty in Trinidad and Tobago. Based on data from a household budgetary survey (1997/1998) and surveys of living conditions, it concludes that in 1998 24 percent of the population (and 18.4 percent of households) was thought to live below the (consumption-based) poverty line.[41] After 1998, unemployment decreased and GDP per capita increased, so it is to be expected that the number of poor will have gone down (Henry 2004 (issued in 2006)).

Table 3.1 Poverty estimates for selected groups, 1997/1998 (in%)

Poor Households	18
Poor Population	24
Indigent Households	6
Indigent Population[42]	8
Youth Population	29
Elderly Population	15
Female Population	24
Male Population	24
Male heads	17
Female Heads	21

Source: Kairi Consultants Ltd. (2004)

The Kairi-report has analysed poverty figures for geographic, gender and ethnic differences. It concluded that in relative terms, poverty is more prevalent in rural areas (with the North East and South East being the

[40] But as Henry (2004 (issued 2006)) explains the GINI-coefficient in highly divided countries may mask increased levels of inequality between groups.

[41] This method, 'The Cost of Basic Needs method', values an explicit bundle of foods typically consumed by the poor at local prices first. To this, a specific allowance for nonfood goods, consistent with spending by the poor, is added. However defined, poverty lines will always have a high arbitrary element; for example, the calorie threshold underlying both methods might be assumed to vary with age (World Bank 2007a).

[42] Extremely poor population.

poorest areas). However, since the majority of the population lives in urban areas, poverty in absolute terms is more widely spread in the urban areas. The gender analysis showed that a more or less equal share of the poor consists of men and women. However, the incidence of poverty among female headed households is higher than among male headed households. Poverty between the various ethnic groups does not differ significantly but some interesting qualifications are made by Henry (2004 (issued 2006)). First of all the Indo-Trinidadians make up a large part of rural poor and Africans are overrepresented among the urban poor. For this study it means that indeed an overrepresentation of Africans could be expected. Furthermore, he states that the presence of people of African descent in the highest quintile of society lags behind those of other groups.

In 2004 the UNDP presented data on poverty in Trinidad and Tobago (UNDP 2004). The report stated that as much as 12 percent of the population lived on less than US$1 (PPP) and 30 percent on less than US$ 2(PPP) per day. Although these figures are not confirmed by other data and do seem to overestimate the percentage of poor people, they point painfully at the continuing existence of poverty in the country despite its achievements at macro-level (cf. Janssen 2004 (issued 2006); Henry 2004 (issued in 2006)). It also highlights the fact that the neo-liberal policies of the 1990s have had structural effects that are not countered by positive developments.

Despite its importance for the economy of Trinidad and Tobago, the role of the petroleum sector in the provision of employment is very small, i.e. 1.2 percent in early 2003 and 3.5 percent in 2006 (CSO 2004; 2006b). Hence, the non-oil sector is the key sector for provision of labour (Henry 2004 (issued in 2006):53). In 2003, the period during which data for this study was collected, the largest shares of employment were in: a) community, social and personal services (31 percent); b) wholesale, trade, retail, hotels (19 percent); c)construction (14 percent); and d) manufacturing (11 percent). Furthermore of all the people working, the large majority (79 percent) works as employees (27 in public and 52 percent in the private sector). A total of 14 percent work as own account workers. The latter category is an indication of workers in the informal sector (Lloyd-Evans and Potter 2002) and would include people with HBEAs, that is, if its operators would report it as a primary activity. The percentage of people reporting to be unpaid workers is very small (cf. CSO 2007a). The fraction of people performing unpaid labour is probably much larger, as workers in HBEAs for example, than reported.
The Trinidad and Tobagonian labour market is characterised by relatively high levels of unemployment. The economic crisis of the 1980s and 1990s and the measures taken to counter this, led to massive unemployment in

the country of up to 22 percent (Valtonen 2001). During the 1990s unemployment decreased gradually and this trend continued in the first years of the 21st Century. In late 2003, ten percent of people in the labour force reported being unemployed and in 2006 this had decreased to approximately five percent (CSO 2007a).[43] Whereas in the 1980s, labour force participation declined, it had increased again to 64 percent in late 2006 (CSO 2007a; Lloyd-Evans and Potter 2002:68).[44]

The distribution of unemployment over the population is skewed and unfavourable to women, youth, people with low qualifications in specific industries and jobs (CSO 2004). Moreover, access to the labour market is related to having social networks (Valtonen 2001). Women's participation in the labour force is lower than that of men (50 percent versus 75 percent) and unemployment is much higher among the former: close to 15 percent versus nine percent. And, as Seguino (2004:28) suggests, although economic growth reduced unemployment among men and women, men benefit more and inequality between the two groups increases. Similarly, unemployment rates are higher among young people, young women especially.[45] People with elementary occupations, service workers, clerks and crafts(wo)men make up the largest segment of the unemployed.[46] These last qualifications indicate that unemployment is relatively high, especially among the qualitatively less skilled segments of the labour market. This is further confirmed by data on unemployment and the level of skills which indeed show that people with fewer skills are more often unemployed. For men, the turning point is for those who have some secondary O'level passes, whereas for women unemployment rates

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[43] However, the definition the Central Statistical Office uses to define unemployed is rather narrow: people not working and not actively seeking to work in the three months preceding the survey are excluded from the labour force. Moreover, they included people 'without jobs and seeking work' if they are not working but were actively seeking labour in the week preceding the survey. If people looked for work in the three months preceding enumeration but were discouraged from seeking work, temporarily ill, awaiting results of applications they were 'other employed'. People who worked for any length during the week of the survey were considered to be employed (CSO 2004). Using a more relaxed definition (e.g. in Kairi Consultants Ltd. 2004:90) higher percentages of unemployed are the result.

[44] As I described earlier in this chapter, decreasing labour force participation may mask real growth in unemployment as informal workers and discouraged workers may retreat from the labour force.

[45] E.g. 16 percent of males and 20 percent of women in the age group 20-24 are unemployed as compared to less than five percent and approx. 13 percent of men and women between 35-39 years of age (CSO 2004).

[46] Respectively 42 percent, 19 percent, 14 percent and 14 percent in the third quarter of 2002 (CSO 2003).

decrease when they have five O-Level passes and additional training. The capabilities and skills of the Trinidad and Tobagonian labour force do not match the demand of the labour market. Generally the levels of skills are too low and, despite the fact that universal enrolment in primary education has been realised and participation in secondary education is high, the results produced at secondary level are lagging behind (Henry 2004 (issued in 2006):53).

The informal sector in Trinidad and Tobago is likely to have grown considerably in the period of the crisis, as an important refuge for people who fell victim of the contraction of the formal labour market (Lloyd-Evans and Potter 2002; Henry 2004 (issued in 2006)). Moreover, the phenomenon of people creating extra jobs in the informal sector to cope with reducing real income is also likely to have taken place. The study by Lloyd-Evans and Potter (2002) on the informal sector in Trinidad and Tobago is based on data from the 1990s and omits recent data. They estimate that close to 50 percent of all labour is provided within the informal sector. Furthermore, they point to the importance of informal activities in neighbourhoods that serve the demands of the local community. These would include HBEAs.

The informal sector also includes the underground or criminal sector. Crime has been on the rise for years in Trinidad and Tobago and is one of the major concerns for the country today. Especially the violent crimes of (gang) murder and kidnapping have spiralled and become a part of day-to-day reality. The gang murders are suspected to be at least partly related to drugs and weapons. These murders are most prevalent in East Port of Spain and Laventille/Morvant but have increasingly taken place in areas such as Diego Martin. Furthermore, kidnapping of business people has increased.

3.5 Poverty and Entrepreneurship: Policies and Institutions

A central question in this study is how operators of HBEAs organise their activity and how this is shaped by the policies, rules and organisations that are in force. The first part of this section describes current government policies and perceptions on poverty and entrepreneurship in the respective countries. These are partly shaped as a result of local economic developments and social-political ideologies and practice. Hence, in turn they affect the institutions and organisations that are available for (micro-) entrepreneurs. These are described in the second part of this section. The focus is on skills, finance and the regulatory framework.

Suriname

Suriname's economic crisis of the 1980s and 1990s has fuelled the rise of poverty in the country. This has led to an increase in the demand for poverty reduction and economic policies. Yet, the crisis itself restricted the opportunities for the government to develop and implement policies and measures. Moreover, Suriname's political practice is characterised by a lack of policy development and a pragmatism fuelled by the drive to maintain control over the political power.

In the MOP 2001-2005 (Meerjaren Ontwikkelings Plan/Multiple Years Development Plan 2001-2005) of the central government (Regering Republiek Suriname 2001), the strategy to reduce poverty and increase welfare is announced. These strategies should prevent vulnerable groups from further impoverishment, increase income to a level above the poverty line, and stimulate the elimination of poverty through active participation by the private sector, labour unions and civil society. The strategy has two central programmes: a social programme and a programme to increase productivity. The social programme aims at protection of vulnerable groups and support for development of initiatives to escape poverty. Specific measures are, for instance, the availability of social transfers, feeding programmes for children, and income support for needy groups. The second pillar is the realisation of productivity. In this section the MOP 2001-2005 acknowledges the role of micro-level productive activities in reducing poverty.[47]

Historically, local production and manufacturing sectors in Suriname have been underdeveloped and have not received much attention from the political elite. This situation, the state-led paradigm, and the economic developments since the mid 1980s, have led to a business-unfriendly environment in the country. Representatives from the government, private sector and business development organisations indicate various problems. First of all, the monetary climate in Suriname is unfavourable to business. The fluctuations in the foreign exchange rate, limited availability of foreign currency, financial speculation, high inflation, and high interest rates have negative impacts on business opportunities. Second, the legal and regulatory framework is problematic. It lacks an investment-regulating and supportive section, and has a strong imperative and prohibitive character instead of a business-stimulating and facilitating focus (FIAS 2004). In addition, legal procedures are time-consuming, bureaucratic and lack transparency. Finally there are no policies that integrate production,

[47] The MOP 2006-2011 (Regering Republiek Suriname 2006) does not show a very different strategic plan considering poverty reduction and entrepreneurship.

technology, knowledge, infrastructure, and environment (Ministerie van Handel en Industrie 2001; Jessen *et al* 2006). In addition various people point to the fact that there are no business locations and infrastructural facilities available.

The administration in power during the time of this research has developed a few key policy documents on economic development, e.g. the policy document 2001-2005 of the Ministerie van Handel en Industrie (2001) (Ministry of Trade and Industry) and the MOP 2001-2005 (Regering Republiek Suriname 2001). These documents acknowledge the importance of the development of the private productive sector. For example, in its mission statement the Ministerie van Handel en Industrie (2001:3) declares that:

> 'The Ministry aims first and foremost to strengthen the private sector situated in Suriname. It does so by removing barriers which obstruct the acquisition of factors of production or the sales of goods and services, in order to improve the competitiveness of Suriname. The Ministry develops laws and regulations that foster efficient and fair economic developments which benefit the businesses and consumers. It structures the enforcement of these laws and regulations'.

Moreover, one of the strategic goals of the government for the period 2001-2005 is the provision of an 'enabling stimulating environment for the development of the private sector'. The small and middle size enterprises are thought important in providing employment and should be supported. In addition, the government aims to retreat from the production of non-strategic goods and services, and stimulate the role of the private sector in this. Furthermore, in reaction to international developments, it stresses the need to transform traditional production, deploy new markets and enlarge the range of goods and services available. To further develop trade and industry the government plans to create a competitive financial market, enhance access to attractive credit for investments, implement enabling laws and regulations, and develop new business locations (Regering Republiek Suriname 2001:ii-viii).

Yet, the overall perception among representatives from business supporting organisations, and within the private sector, is that the government has hardly realised any of these plans to promote the development of the private sector. Moreover, the general idea is that the government is not interested in developing the private sector and, to the extent it does, supports trade rather than production. The government lacks financial means but also the ambition to improve the business sector. Its priorities are in maintaining the importance of the government sector as main employer and attracting short term sources of income, such as from foreign investors and import/customs.

A more specific look at the aforementioned documents shows that the micro-entrepreneurial sector is dealt with in the sphere of poverty reduction rather than in trade and industry. The MOP announces measures to increase the productivity of the poor working population in the formal and informal sector. Furthermore, a social programme is developed that supports the poor in developing initiatives to escape their situation of poverty and dependence (Regering Republiek Suriname 2001:52-56). The strengthening and expansion of the role of the Stichting Productieve Werkeenheden (SPWE-Foundation for Productive Activities) and the Stichting Arbeidsmobilisatie en Ontwikkeling (SAO-Foundation for Development and Mobilisation of Labor) are considered the main tools.[48] For the Ministry of Trade and Industry the focus is on small and large enterprises. There is no mention of the micro-size enterprises in its policy document. The development of small and medium-size enterprises is supported by establishing business networks and support services. The document furthermore presents several plans to remove barriers at macro- and meso-level.

Trinidad and Tobago

From the mid-1980s the policies of the government of Trinidad and Tobago's have been guided by neo-liberal beliefs. The SAP and subsequent policies promote privatisation of the public sector, attraction of foreign capital, economic liberalization, development of the private and industrial sector, and a general retreat of the state. The economic crisis from the early 1980s to early 1990s left little space for poverty-reducing measures in Trinidad and Tobago. The neo-liberal policies and SAP of those times have most likely worsened the situation of the poor and vulnerable groups. Yet, the current economic buoyancy in the country provides the government with the financial space to actively implement policies and measurements, give body to their aims in terms of poverty reduction and social development. Over the course of time a wide range of government policies, projects and measurements have developed, which focus on poverty and poverty reduction (Ministry of Social Development 2005). Hence, a situation has emerged where strong neo-liberal policies go hand in hand with large state interference and funding of social policies and programmes.

Poverty relief and the development of the private sector are both considered essential in realising these goals. An inventory of the poverty relief projects shows that some of these projects are in place to ostensibly protect vulnerable groups and are, for instance, 'Hardship Relief', 'Public Assistance' and SHARE (hampers) for low-income groups (Ministry of Social Development 2005). Other projects address more structural

[48] These organisations are discussed below, in the second part of this section.

characteristics of poverty and social problems in the country, and address unemployment, school drop-outs and crime. A range of educational facilities and programmes, e.g. Helping Youth Prepare for Employment (HYPE) and Multi-Sector Skills Training Programme (MuST) provide skills and work training for low-skilled youth. Others stimulate acquisition of marketable skills through organisations such as the Youth Training and Employment Partnership Programme (YTEPP) or the Ministry of Community Development.

A final set of programmes is providing employment to otherwise unemployed people. The Unemployment Relief Programme (URP) from the Ministry of Local Government provides funding to a 'community leader' for employing a group of community members on rotation basis; people are employed for ten days and then another group works for ten days. Community-based Environmental Protection Enhancement Programme (CEPEP) is a newly implemented unemployment relief programme. A hundred entrepreneurs are funded to manage multiple CEPEP-groups within a geographic area. Each group consists of 10-15 low skilled people who work together on environmental protection, gardening and beautification. Generally these projects are expected to bring no more than temporal relief to those involved and their households. Moreover, they are considered to be vulnerable to corruption and clientelism and to be used by governments only for political gain.

Current policies in Trinidad and Tobago are linked up with the Vision 2020 process, which forms an overall framework for development of the country. This Vision was first formulated in 2002 and it aims to take Trinidad and Tobago to 'developed country status' by 2020:

> 'By the year 2020, Trinidad and Tobago will be a united, resilient, productive, innovative and prosperous nation with a disciplined, caring, fun-loving society, comprising healthy, happy and well-educated people and built on the enduring attributes of self-reliance, respect, equity and integrity' (Ministry of Planning and Development 2007).

The special committee chaired by a leading private entrepreneur was appointed to further develop this (Vision 2020 Planning Committee 2004). One of the steps the committee has taken is the development of a strategic plan (Vision 2020 Multi-Sectoral group ND). This plan states the role of the entrepreneurial sector very clearly:

> 'The private sector will also be powered by a strong spirit of entrepreneurship and supported by risk-tolerant financial institutions and legislative systems that actively encourage business start-ups and development of micro, small and medium sized enterprises. We will have a socially responsible business community that plays a positive role in community and national development' (p.12).

Five critical development priorities are described, of which four relate to entrepreneurship directly: developing innovative people (skills and education); nurturing a caring society (e.g. poverty reduction); governing effectively and enabling competitive businesses (Vision 2020 Multi-Sectoral Group:14-18). In order to enable competitive businesses, a range of measurements are proposed such as rules and laws, access to finance, skills training etc. The developed strategies target all business sizes. The website of NEDCO presents the government's vision for Trinidad & Tobago's enterprise sector:

> 'That of a fast growing, well-structured, vibrant, innovative and successful organism that would: contribute significantly to the national economy and national development as well as to the viability and cohesion of communities; serve as a main catalyst in the reduction of unemployment and poverty and in the production of sustainable employment and wealth; underpin and enhance national competitiveness'.

The development of the micro-enterprise sector is seen as crucial in poverty reduction because micro-enterprises, it is argued, provide work and livelihoods for many poor people. Moreover, the sector provides services for communities. Training, credit and support are seen as crucial in promoting the development of the micro-enterprise sector. As can be seen below, the government of Trinidad and Tobago has implemented its policy intentions by an active support of a wide range of projects that aims at providing skills and financial and business support to the business sector. Whereas institutions such as the Business Development Company (BDC) aim at small and medium businesses, institutions such as NEDCO and MEL focus specifically on micro-enterprises.

Institutions Providing Skills and Knowledge

The formal primary and secondary school system

In Suriname and Trinidad and Tobago, enrolment in primary school is close to universal (92 percent in 2003 and 2002 respectively) (UNDP 2006)). Similarly, literacy rates are about 90 percent in Suriname and 97 percent in Trinidad and Tobago (ibid.). Nevertheless, there are concerns about the quality of education and the development of human capital in both countries.[49] In Trinidad and Tobago, increased expenditure on education has not resulted in improvements of the relatively low pass rates in secondary education (Henry 2004 (issued in 2006)). Furthermore, the competitive and academic orientation of the system, as well as the promotion of students based on age, exclude many and results in high numbers of students leaving school without qualifications or sufficient

[49] The Adult Literacy Tutors Association (ALTA) (www.alta-tt.org) for example challenges official literacy statistics and estimate that 22 percent of adults in the country is functionally illiterate.

literacy skills.[50] Moreover, there is a stigma attached to vocational oriented education (Janssen 2004; interview with YTEPP representative 2005). In Suriname, the level of education taught is not up to standard and lacks innovation. Every year some 25 percent of students have to repeat their form. Our concern here is with those aspects of education that provide technical and business skills that can be used in enterprises or micro-enterprises in particular. These skills are provided in traditional education or in alternative programmes that can be sponsored by the government, private sector or NGOs.

Suriname

The traditional education system in Suriname consists of primary education (two plus six years), which is concluded by a general examination. The results of this test determine which Junior High School (VOJ) a student will attend: a four year vocational (LTS or LBGO) or four year pre-academic (MULO) school. Both are concluded with a general examination. Subsequently a two to three year training at senior high school (VOS) in a vocational (IMEO/NATIN/Teachers college, primary school) or pre-academic (HAVO-VWO) stream can be followed. At tertiary level, courses are offered, for instance, at the University of Suriname, the Academy for Art and Culture, or the Higher Teachers College (IOL) (Beukers 2006:67-70:144).[51] This education system follows the (traditional) Dutch system.

Junior high schools at vocational level (i.e. LTS and LBGO), offer technical skills such as cooking, construction, and mechanics. Business skills are not offered through these institutions. At senior high school, technical opportunities are limited to the skills in natural sciences (NATIN), technical (Avond Middelbaar Technisch Onderwijs-AMTO) and administration (IMEAO) at vocational oriented schools. Business skills are offered at these schools as part of economic subjects. But, as stated by various key informants, the traditional education system does not develop students' entrepreneurial skills.

[50] In 2007 the Government has ended promotion of students based on age and allows for repetition of SEA for students who are not considered ready for secondary school.

[51] VOJ (Voortgezet Onderwijs Junioren), LTS (Lagere Technische School) LBGO (Lager Beroepsgericht Onderwijs), MULO (Meer Uitgebreid Lager Onderwijs), VOS (Voortgezet Onderwijs Senioren), IMEAO (Instituut voor Middelbaar Economisch en Administratief Onderwijs), NATIN (Natuur Technisch Instituut), HAVO (Hoger Algemeen Voortgezet Onderwijs), VWO (Voorbereidend Wetenschappelijk Onderwijs), IOL (Instituut voor de Opleiding van Leraren).

Trinidad and Tobago

Trinidad and Tobago's education system is influenced by the old British system and shows similarities with that in other states of the British Commonwealth. Yet, in the 1970s USA-system style mass education was introduced. At the end of primary education (two plus five years), students sit the Common Entrance Examination. The results of this examination determine where students will continue their secondary education. The traditional opportunities were five (form 1-5) and seven year (form 1-6) public and government-assisted schools (the latter are mostly denominational). The curriculum in these schools is very academic and considered prestigious. Access to these schools therefore is limited to students with top results. For government-assisted schools, students also gain acceptance under the 20 percent allowed for open selection by the schools using their own criteria. The less prestigious New Sector Schools were established relatively recently and are entered by students with lower CEE-results. These schools consist of three year (form 1-3) Junior Secondary, two year (form 4-5) Comprehensive or Composite schools and two year (Upper and Lower) Form 6 schools (IAU 2003; Janssen 2004). After form five students take the Caribbean Examinations Council (CXC) Secondary Examinations Certificate (CSEC) examination. The number of passes students obtain determine if and where they continue their education. Some continue at senior academic level and after two years in form 6 (lower and upper) sit the Caribbean Advanced Proficiency Examination (CAPE) or GCE Advanced Level examination. Education at tertiary level is conducted at several institutions, such as the College of Science, Technology and Applied Arts of Trinidad and Tobago (CONSTATT), a community college, The University of the West Indies, The University of Trinidad and Tobago which now incorporates the teachers colleges, and technical institutes such as the John Donaldson Technical Institute and the Eastern Caribbean Institute of Agriculture and Forestry (ECIAF), of the Trinidad and Tobago Hospitality Institute (TTHI). At this level, technical, vocational and academic courses are offered.

Alternative Knowledge Institutions

Suriname

Ministerie van Arbeid, Technologische Ontwikkeling en Milieu (Min. ATM)

Besides the regular education system, Suriname's government offers technical skills and business skills through two institutions within the Min. ATM ('Ministry of Labour, Technological Development and Environment'): the SAO (Stichting Arbeidsmobilisatie en Ontwikkeling- Foundation for Development and Mobilisation of Labour) and SPWE (Stichting Productieve Werkeenheden- Foundation for Productive Activities).

SAO is a government sponsored institution founded in 1981. It is the successor of three vocational training institutes that existed in Suriname since 1963. SAO provides courses in technical skills to school drop-outs, unemployed, employees in the private sector, and small entrepreneurs from 16 years and older. It aims at training and retraining the labour force of Suriname. The type of skills offered respond to demands of the labour market, micro and small entrepreneurs, and the private sector. As a result, skills related to construction, car mechanics and electronics are offered, which attract mainly men.[52] Women are more attracted to courses in the field of nursing and textiles. These constitute a smaller range of courses and are provided by SAO. A project (together with the Nationale Vrouwenbeweging (NVB- 'National Women's Movement') that stimulates women to take on technical courses is successful, but finding a position in the labour market afterwards is problematic. The courses for school drop outs are at junior secondary level usually take one year and include a two-month internship. Small and micro-entrepreneurs usually take part-time courses. The SAO does not advertise its courses, yet waiting lists of 600-700 school drop outs always exist. Entrepreneurs do not have to be on a waiting list. One of the problems of the SAO is its inability to upgrade courses to current international standards. Machinery used and knowledge taught are outdated and there is no money to upgrade it. The government pays 75 percent of the budget. Students have to pay 45 SRD (for school drop-outs, US$18) to SR$75 (for entrepreneurs, US$27) monthly. Courses focusing on technical upgrading are not subsidised and so are more expensive.

The SAO is strictly involved in the provision of technical courses. Its sister foundation the *SPWE* focuses on stimulation, training and supervision of cooperatives, self-employed workers and small entrepreneurs. This institute has existed since 1993. In 2002 the institute trained 160 entrepreneurs, and in 2003 it trained 180. In 2003, eight courses were offered such as bookkeeping for beginners and advanced entrepreneurs, marketing and management of finances, business and logistics. In addition, entrepreneurs can ask for assistance from various sources. The organisation has a limited number of places and cannot accommodate all interested entrepreneurs. Costs for training are between SR$300 and SR$450 (US$100-150).

[52] Plans exist to start offering skills in restaurants, hotels and hospitability.

Nationale Vrouwen Beweging (NVB)
The NVB (National Women's Movement) has various projects and programmes that aim at supporting female entrepreneurs. One of these programmes is 'capacity building of women entrepreneurs'. This management institute- the Instituut voor Vrouwelijk Ondernemers (IVVO- 'Institute for Women Entrepreneurs') aims at supporting women entrepreneurs to establish a successful enterprise. It organises various courses, seminars and workshops, especially aimed at improving business skills. Furthermore, IVVO provides advice and supervision on business plans, development of new projects and access to credit facilities (together with Godo and De Schakel). Finally, IVVO organises fairs and stimulates participation of entrepreneurs in these. The IVVO focuses on small and medium women micro-entrepreneurs, including home-based workers. Many of these entrepreneurs have limited levels of education and the business skills to do proper bookkeeping, write business plans and progress reports. The policy of NVB is to advise participants to formalise their activities, at least to get a food handlers license and assist in, for instance, tax-assessment. Nevertheless, NVB does not require its participants to have or aim at full formalisation of enterprises.

Women's Business Group (WBG)
WBG was established in 1993 and aims at stimulating and strengthening entrepreneurship in Suriname. More specifically, but not exclusively, its focus is on female entrepreneurs. The foundation offers advice, training and supervision for its (275) members. The training offered provides business as well as technical skills. The organisation assists entrepreneurs with development of a business plan and access to credit. Furthermore, the organisation is active in promoting an enabling business environment in Suriname; for instance by realising a 'trading house' where entrepreneurs should be able to meet and develop cooperatives. Membership of WBG is open to everybody but services are not free: membership costs about US$2 a month and a business plan SR$150 (US$55). WBG tries to stimulate creativity among entrepreneurs, in order to develop a more diversified range of products. Furthermore, it aims at fostering the entrepreneurial spirit and ambition in people.

Trinidad and Tobago
As stated before, the strong academic orientation of the educational structure in Trinidad and Tobago results in little vocational training opportunities at the level of secondary education or below. Yet, alternative programmes are available in abundance. Below, the best known programmes are discussed. This is by no means a complete list. According to the World Bank (2000a:11) approximately 500 institutions offer vocational and skill training. Annually about 15,000 people can be trained. As will be shown below, in 2003-2004 various Ministries offered courses

in Trinidad and Tobago. Entry requirements, as well as fees, are low or absent. The lack of life skills and negative work attitude is one area of concern to these institutions. Therefore many have included training in these fields, as well as in basic numeracy and literacy skills.

SERVOL

Service Volunteered for All (SERVOL) started in 1970 in response to the Black Power disturbances of the period (SERVOL 2001:3). It started out as a means to find out how people in the low-income area of Laventille wanted to be supported, and to develop such projects. The organisation receives financial support from the Ministry of Education, the private sector and various international donor agencies. SERVOL aims at developing self-understanding and positive attitudes in male and female youth, building skills that prepare them for work or self-employment. SERVOL focuses mainly on children under the age of five and teenagers in the 16-19 age group. It offers two programmes for teenagers. The 14-week Adolescent Development Programme which fosters self-awareness, positive attitudes, literacy and provides parenting skills. On completion of this, a student may continue in the Adolescent Skills Training Programme- a programme of technical skills training (Guttman 1994). Life Centres are the hub of Servol. From here most activities and training programmes are provided. The first centre was established in 1971 but today there are twelve centres that educate around 1600 youth on a yearly basis (Worldbank 2000a; Janssen 2004).

The Youth Training and Employment Partnership Programme (YTEPP)-

YTEPP is a government sponsored programme with the Ministry of Science, Technology and Tertiary Education. It started in 1988 in conjunction with the World Bank as a means to combat youth employment (YTEPP 2006). In the period between 1988 and 2000 over 130,000 students were trained (YTEPP 2006). YTEPP offers courses in 80 technical skills in twelve areas including culinary, garment, and electronics. Furthermore, a Career Enhancement programme is offered focusing on basic literacy and numeracy, self-confidence and work ethics. Finally, YTEPP provides courses in micro-entrepreneurship as a means to increase employment opportunities. This course focuses on ethics, action plan development, financial management and accessing financial support services (YTEPP 2005; Interview with YTEPP representative 2005). The courses are taught in 22 part-time centres and four full-time centres in two cycles of six months. In addition, courses can be given at community level in cooperation with a local community organisation. The technical courses are meant for the age group 15-25 but the course in business skills can be followed by older people. There is no entrance requirement. The Registration fee is TT$100 (US$16.7) and a stipend of TT$24 (US$4) a day is provided (ibid.).

Other courses provided by this Ministry are The Civilian Conservation Corps (CCC), MuST and HYPE. HYPE and CCC aim at youth unemployment relief. They focus on low-skilled and employable youth at around 18 years and work in the field of agricultural, environment and recreation (Janssen 2004:58).

Ministry Of Community Development, Culture and Gender Affairs.
Community Education is a central task of the Community Development division within the Ministry. The programmes aim at 'harnessing latent talent, skills and creative energies' (Ministry of Community Development, Culture and gender Affairs N.D:11). The Skills Training programme and the programme for Entrepreneurial Development and Management are most important to the subject of this dissertation. The latter programme aims at the support of household heads, un- and underemployed and other vulnerable groups. In practice, mainly women participate in the Skills Training programme which focuses on technical,[53] craft, [54] personal development,[55] and entrepreneurial development.[56] The latter course, however, is being reconsidered because other institutions offer the same course. The aim is the creation of possibilities to reduce household expenditure and increase income generation. The courses are free of charge, do not require entry requirements and are provided through community centres. In 2002-2003 11,000 people followed courses and 58 businesses were supported (interview with representative of the Ministry of Community Development, Culture and Gender Affairs 2005).

The Export Centres Company Limited (ECCL) is also located within the Ministry of Community Development, Culture and Gender Affairs. The programme was established in 1996 under an earlier political administration and initially aimed at revitalising the crafts industry. Since 2002 the attention has shifted to the training of unemployed and underemployed women, between 25 and 50 years, to become entrepreneurs in crafts. In 2005, the first round of training was given to approximately 250 women. The training consists of a life skills component, a vocational/technical part and a business skills training. The aim is to teach women the technical and business skills and expose them to markets so that they can start a business from (at first) home and spread their knowledge within their own community. The training takes place in 14 centres throughout the country (interview with ECCL training

[53] Examples of technical courses are for instance catering, tiling, linen and drapery and upholstering (Ministry of Community Development, Culture and Gender Affairs ND:14).
[54] Such as ceramics, macramé, shell and bead work, batik and tie-dye.
[55] For example adult literacy, hair-dressing, etiquette.
[56] Including marketing strategies, sourcing finance, pricing, quality control and standards and project planning.

and development manager 2005). Each centre offers one training course. Examples include: paper maché, bamboo, textiles (batik, tie-dye, and fabric design), soap, ornamental pan and natural jewellery, and home furnishings (Ministry of Trade and Industry and International Trade Centre ND). Women register with the Ministry who then directs women to ECCL. The programme is full-time, free of charge and participants are paid a stipend of TT$50 (US$8.33) per day.

Formal Financial Institutions

Access to and availability of credit and financial services are a central element of policies and projects that aim at stimulating entrepreneurship. Here, the formal financial institutions available in Suriname and Trinidad and Tobago are described and compared. The focus is limited to commercial banks, Credit Unions (CUs), Micro-Finance Institutions (MFIs), and Hire-purchase Facilities (HP).

Commercial Banks

Traditionally, low-income groups and micro-entrepreneurs have had limited access to commercial banks. They lack collateral and security and were considered a high risk and expensive investment for the loan-providers. In addition, their funds and savings were small, making them uninteresting as members. In Suriname and Trinidad and Tobago some commercial banks restrict access to bank accounts to people with formal sector jobs, i.e. salaried employment shown in pay slips, or a minimum amount of savings. Others charge a monthly fee for their services.

None of the commercial banks in either country has had a special programme for micro-entrepreneurs.[57] The banks are concerned with securities and cash flow and also assess the prospects of the business involved. To be able to fulfil requirements entrepreneurs need to possess property, and be able to show a formal status of the business, financial records and a solid business plan. The banks reported that they give out very few business loans to micro-entrepreneurs. Hence, the only opportunity for micro-entrepreneurs to access formal credit is through a personal or mortgage loan. The requirements for such loans are high. Commercial banks require security in form of tangible assets (savings, a house, or a car) and need proof of repay-capacity such as job letters and salary slips. Many lack those or have too low or too irregular incomes.

In *Suriname* such personal loans are very expensive. This is the result of the unfavourable financial climate in the country. In 2003, interest rates

[57] In Suriname Hakrinbank, VCB, Post Spaarbank were interviewed in 2003 and VCB bank and DSB in 2004.
In Trinidad Republic Bank and First Citizen's Bank in 2005.

for personal loans with commercial banks were between 22 and 33 percent.[58] By 2004, however, the financial market seemed to be improving. Interest rates had declined and more banks showed interest in providing products for low- and middle-income groups. In 2004, for instance, there were low-interest mortgages available. Personal loans are limited in size (below US$2000[59]) and require a permanent job in the formal sector. Some banks offer opportunities for people who work in the informal sector. Then, a guarantor with a permanent job can fulfil the security requirement. The financial situation in Trinidad and Tobago at the time of the study was much less precarious than in Suriname. Still, banks were only starting to develop special policies to attract low-income groups. Furthermore, the minimum loan to be taken out was relatively high, e.g. TT$5000 (US$833) at Republic Bank. Interest rates in 2005 were around eight percent for personal loans which is much lower than in Suriname. Moreover, it is also lower than rates of for instance hire-purchase (see below).

Credit Unions (CUs)

From the mid-20th Century CUs emerged as an alternative formal financial institution, which provided access to low-income groups for whom commercial banks are or were not accessible. CUs and Micro-finance Institutes (MFIs) are the best known alternatives. The major difference between commercial banks and CUs is that members of CUs are the owners of the institution. Access to CUs is sometimes limited to employees from a certain organisation or members of a community (closed bonds). Others have unrestricted membership (open bonds). Members of CUs save money in shares and are paid interest on these shares. When applying for loans, the amount of shares and saving patterns are taken as indicators of creditability. In addition, tangible assets and co-signing are accepted forms of security. In both countries CUs increasingly compete with commercial banks because they try to offer similar services. CUs offer a wide range of personal loans, e.g. computer loans, mortgages and car loans. There is a large difference in number and importance of CUs in the respective countries. At the time of this research Suriname had 28 active CUs (Centrale Bank van Suriname 2006). The two largest among them (Godo and De Schakel) had a total of 30,000 members. Trinidad and Tobago has more than 100 active credit unions with close to half a million members (interview with representative Cooperative Credit Union League representative 2005). Three-quarters of the working population is estimated to be member of a CU (Khan 1998:3 in Heijboer 2006)

Godo (28,000 members-technically a cooperative bank) and De Schakel (4,400 members) in Suriname are open CUs. They offer a wide range of

[58] The interest rates fluctuate and vary between the various banks.

[59] SR$5000 in two banks and SR$2500 in a third in 2003.

loans and products to their members. Their interest rates in 2003 were 33 percent annually on a reducing balance (approximately 22 percent compound interest). In addition, both institutions manage a special project for micro-entrepreneurs (see table 3.2 for details). These projects are sponsored by Dutch NGOs and managed in cooperation with Surinamese NGOs. Uma Kraka (De Schakel) is restricted to female entrepreneurs. The project started in 2001, thus results were not available during the time of the research (De Schakel 2003). Godo's project started in 1997 through cooperation with the Dutch NGO Cordaid. At the time of the research it was a low-profile project, mainly because initial results had been disappointing. The project consists of two funds: a general revolving fund for small entrepreneurs and one for female micro-entrepreneurs. The initial result of the project was very disappointing for Godo. This was related largely to the low repayment rate: just over 64 percent of the loans were repaid. Based on the first experiences GODO has extended the requirements and now demands that applicants have finished primary school and have basic bookkeeping skills. The main problem according to Godo is that the entrepreneurs lack entrepreneurial skills and need a lot of guidance and supervision.[60]

In Trinidad and Tobago most CUs do not have a special programme for micro-entrepreneurs. Many do, however, function as an agent for the Business Development Company (BDC) that guarantees loans to small entrepreneurs (but bigger than the ones this research focuses on). Interest rates with CUs are around one percent per month (reducing balance). One of the largest CUs in the country is the Eastern Credit Union (ECU) with 109,000 members (Interview with Romany and Borde ECU representatives 2005). Traditionally it focused on the poor within the geographic location of San Juan. Currently it provides services throughout the country. Yet, the majority of customers come from the North East of the country, including the areas of this study. ECU has loans for micro-entrepreneurs but most likely, entrepreneurs finance business investments from personal loans.

Micro-finance and Business Development Organisations

In recent years enormous attention has been paid to micro-finance, especially micro-credit, in policy discussions on poverty reduction and the stimulation of entrepreneurship. This is, as noted in chapter one, related to the fact that the neo-liberal paradigm increasingly underpins these policies. In Suriname no financial institutions existed focusing exclusively on the provision of financial services to micro-entrepreneurs. The two programmes at the time that provided credit facilities to these groups,

[60] One of the core elements of micro-finance projects is the supervision of the micro-entrepreneurs.

were housed at two CUs and have been discussed above. However, in 2007 two major micro-finance initiatives are being developed. One is paid from the Treaty Funds and one in cooperation with the Islamic Development Bank. In Trinidad and Tobago multiple institutions exist. Three of these- NEDCO, FundAid and MEL are discussed below (see table 3.2 for details).[61]

The National Entrepreneurship Development Company Ltd (NEDCO)
NEDCO is an initiative of the Ministry of Labour and Small and Micro Enterprise Development. It is by far the largest MFI in Trinidad and Tobago, and one of the government's core projects. It was established in 2002, and in early 2005 3,800 loans had been issued (Interview Senior Representative NEDCO/ETIIC 2005).[62] The aim of the programme is to assist small- and micro-business people to become successful entrepreneurs:

> 'NEDCO has been invested with the prime responsibilities of developing a competitive and robust SME sector that clearly contributes to socio-economic national development whilst simultaneously boosting and harnessing the latent entrepreneurial capacity of the people of Trinidad & Tobago' (NEDCO, website 2005).

NEDCO has a central office and nine local branches and a training centre. These branches issue the loan but also support and guide the applicant (Interview NEDCO representative 2005; Heijboer 2006). The local branches of Abercromby Street and Tunapuna are the most important to the HBEAs in the communities of this study. In 2005 the Abercromby Street branch (for Gonzales) had between 400-430 outstanding loans and issued 30 loans per month, 90 percent to persons in retail activities. In the Tunapuna branch 600 loans were registered in early 2005. Here, much more emphasis was on productive activities. Repayment at the branches was 85 percent. The reasons report for failing to repay include resistance to pay ('it is a government thing') but often also failure of the business. Penalties for arrears are low.

Micro Enterprise Loan Facility (MEL)
MEL is managed by the Ministry of Social Development and the United Nations Development Programme (UNDP). It provides credit facilities to micro-entrepreneurs in various communities in Trinidad and Tobago, including Gonzales, which is one of the selected communities in Port of Spain. This service is administered by community based organisations (CBOs) (Government of Trinidad and Tobago 2007). The central office

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[61] Fundaid was subsumed under Microfin. ltd in 2003 but is considered here separately because of relevance for HBEAs in the past.
[62] In March 2006 NEDCO) had 5,500 clients and in the period 2002-2006 TT$90,000,000 in loans has been given out (Heijboer 2006).

trains the CBO and trains them to train the entrepreneurs. The organisation aims at stimulating entrepreneurship among vulnerable and poor groups. It does not aim for the large masses to take out loans but wants to encourage people who are reluctant to take loans. Their loans are provided at-the-doorstep and they do not force people to go to the city centre to take out the loan. The programme started in 2000 and in Gonzales from late 2003, therefore its impact on this community cannot be discussed here. Moreover, problems arose in the cooperation between the CBO and the Ministry. In 2004, five loans had been given out in Gonzales (Kernahan 2005).

Table 3.2: Micro-finance projects in Suriname and Trinidad and Tobago

	Trinidad and Tobago			Suriname	
	FUNDAID	MEL	NEDCO	GODO	UMA KRAKA/DE SCHAKEL
	SERVOL (NGO)	Min. of Social Development UNDP	Ministry of Labour and Small and Micro Enterprise	NVB and WIB	NVB and WIB
Start year	1973-2003	2000 (Gonzales 2003)	2002	1997	2001
Source funds	IDB (1990), private sector	EU/GovTT/UNDP	Government (looking for INGO funding)	Cordaid	Mama Cash/Novib
Security	Appliances, guarantors	Guarantors, reference letters	Appliances, savings, guarantors	Savings, guarantors	Savings
Target group	Poor/ micro-entrepreneurs	Micro-entrepreneurs in low-income communities	5,000 micro-businesses per year	Micro-entrepreneurs/ woman micro-entrepreneurs	woman micro-entrepreneurs
Conditions	Training, productive activities	Training, business idea, live in targeted communities	Minimum 18 years, T&T nationality, business registration and -plan, business records	Saving, business plan, bookkeeping skills, primary school	Saving, business plan
Amount	TT$1,000-30,000 (US$ 167-5000)	TT$10,000 (US$ 1666)	TT$ 30,000 (US$ 5,000) till 2004; then TT$ 50,000 (US$ 8,333); From 2006 TT$150-250,000 possible	SR$3,000 (US$1100) for 2 years/ SR$1,000 (US$360) for 1.5 years	SR$3000 (US$1100)
Interest	11%	5 % per annum	8 % per annum	32 % per annum (reduc.balance)	2.25 % monthly (reduc. balance)
Opportunities			Business Courses	NGO-course	NGO-course
Penalties	?	refinancing	refinancing		

Sources: SERVOL (2001); Kernahan (2005); Government of Trinidad and Tobago (2007); NEDCO (2005); Heijboer (2006); De Schakel (2002); Interview manager GODO and MEL

FUNDAID

FundAid started in 1973 as a SERVOL-project. In the period from 1973 to 1990 SERVOL guaranteed loans with commercial banks for a community or individual. Co-guarantors were drawn from within the community. In 1990 the Inter-American Development Bank established a fund and created possibilities for FundAid to start direct lending. FundAid funded projects aimed at fostering self-employment and job creation.

Hire-purchase

Hire-purchase (HP) is widely available in Suriname and Trinidad and Tobago. The basics of hire-purchase are that the customer takes out a product, often durable goods, without having to pay all of the money due. He or she pays for it in regular (usually monthly) instalments during a fixed period. The purchase is the collateral. Considerable differences exist between Suriname and Trinidad and Tobago with regard to the costs and procedure of HP.

During the economic crisis, department stores in Suriname were confronted with a decrease in sales, including of durables. Simultaneously employers such as the government were confronted with continuous demands for salary-increases which reinforced inflation. To counter this, employers (first and foremost the government), department stores and the largest bank in the country made an agreement to provide durables goods to government employees on the basis of HP. Monthly payments were automatically deducted from salaries, and the banks financed the loans. Due to the volatile financial situation in Suriname, the agreement was evaluated on a monthly base to take current economic developments into consideration. From the start, interest rates have been one percent on a monthly basis, which was and is considerably lower than the interest rates commercial bank and other financial institutions charge. Nowadays HP-facilities have been expanded to workers whose employer has no such arrangement.[63]

Traditionally there were HP facilities for people in the informal sector and these have regained popularity over the past couple of years. For those informally employed, HP is provided through a broker. This person (usually a woman) has an arrangement with a department store. She acts as a guarantor and is responsible for ensuring payment of the monthly instalments. When the client has paid off the entire amount due, the broker receives a commission from the store. Clients are recruited through the intermediary's social network, and on the basis of criteria such as

[63] This information is based on an interview with a manager in Kirpalani, DSB (bank) and CLO (union).

having a regular job and showing respectable behaviour.[64] The practice is very comparable to that of the rotating savings group (*kasmoni or sousou*).

A more common form of HP prevails in Trinidad and Tobago. In this system some form of security, mostly salary-slips or formal co-signing by guarantors, is required. In addition, down payments are sometimes needed. HP in Trinidad and Tobago, compared to the system in Suriname, is very expensive. Interest rates are high- at 20 percent or more per year.[65] Moreover, the hire-purchase price in itself is considerably higher than the 'cash' price (I calculated 25 percent). The costs of buying hire-purchase can exceed the cash price by well over 100 percent.[66]

Both companies interviewed (Singer and Standard) stated that in order to protect customers, they state that instalments should not exceed 10-15 percent of take-home salary. Yet, the lack of central registration of debts and withholding of relevant information by customers makes it hard to enforce this policy (Interview with Singer representative of 2005; Interview with Standard representative 2005). HP facilities are available for people in the informal sector or in low-income brackets. Qualifying for HP is relatively easy. Entry levels are low and flexibly enforced and past performance used as and indicator. Moreover, the penalty in case of arrears is usually the confiscation of the purchased product. This makes HP a very popular borrowing arrangement for people without savings. HP is commercially very interesting to companies such as these and a large profit-provider (ibid.).

The Regulatory Framework

One of the main characteristics of the micro-enterprise sectors, as well as of HBEAs, is their relative informality. Often they are considered to be part of the informal sector, despite the fact that enterprises have some

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[64] This information was provided by a female broker.

[65] In 2005 Singer used a percentage of 2.5 percent compounded interest per month and Standard 20 percent per annum (interviews with Singer representative and Standard representative 2005).

[66] This information was classified but could easily be derived by looking at advertisements and some window-shopping. Calculations from the author (based on these data) show that an item with a cash price of TT$2295 for example, had a HP price (referred to a 'regular price') of TT$2870. When the costs of interest, based on the rate for a 24 month contract, were added, the weekly instalment was TT$38. The total price paid after 24 months would than be TT$ 3952: 172 percent higher than the cash price! Another example was a product for which the weekly instalment was TT$29. The price for it added up to TT$3016 while the cash price is only a third of that. For shorter contract periods costs are much lower.

degree of formalisation. The rules and regulations that apply to the HBEAs are mostly similar to those of small enterprises. Four entities of formalisation are considered here: health and environmental issues; taxations/inland revenue; business registration; and acquisition of licenses.

Table 3.3: Health and environmental regulations

Name institution	**Suriname** **BOG (Public Health Office)**	**Trinidad and Tobago** **(Regional) Public Health Inspectorate, Min. of Health**
What?	**Food handlers certification**	**Food badge**
Compulsory	Yes, if producing fresh food and beverages	Yes, if producing fresh food and beverages
Necessary for	Acquisition licence	
Procedure	Medical examination physician, picture and collection of document; Yearly renewal	Medical examination physician, picture and collection of document, lecture; Yearly renewal
Costs	US$18	US$4
Conditions	Being fit for working with food	Being fit for working with food
Enforcement	High	High
Penalty	Minor	Minor
What	**Certification food preparation area**	**Certification food preparation area**
Compulsory	Yes, if producing fresh food and beverages	Yes, if producing fresh food and beverages
Necessary for	Acquisition licence	
Procedure	Visit health inspector after application for licence or complaints	Visit health inspector after application for Foodbadge
Costs	Unknown	Unknown
Conditions	Conditions work area- equipment, plot and house suited to production (hygienic and separated from private use)	Conditions work area- equipment, plot and house suited to production (hygienic and separated from private use)
enforcement	Low	Low
Penalty	Theoretically high but in practise flexible	Theoretically high but in practise flexible
What	**General environmental inspection**	**General environmental inspection**
Procedure	Regular field audits / after complaints neighbours	Regular field audits/ after complaint neighbours
Conditions	Hygiene & safety conditions residential areas	Hygiene & safety conditions residential areas
Enforcement	Average	Average
Penalty	Theoretically high but in practise flexible	Theoretically high but in practise flexible

Public Health and Environmental Authorities

Public Health and Environmental Authorities in Suriname and Trinidad and Tobago are engaged with entrepreneurs in three ways. First of all, everybody producing fresh food and beverages needs to have a *food handlers certification*. Secondly, the location of production needs to be certified as suitable for preparing food. This means that the land (i.e. drainage, garbage collections, condition of the septic tank) and situation inside the house (quality and cleanness of equipment, labelling of products, clothing and health testimony of the staff) need to be suitable. Finally, health authorities conduct audits on the health, safety and hygienic conditions in residential areas. They do this regularly (every three months in theory) for all residential areas and after complaints by neighbours (see

table 3.3 for precise rules and procedures). A lack of manpower, vehicles and money prohibits proper enforcement of these policies. The authorities have the right to close down businesses because of the environmental conditions. Yet, generally, they will advise entrepreneurs to obey the laws and regulations applicable to the activity, but will only close them down when conditions are unsanitary.

Taxation

Both in Suriname as well as in Trinidad and Tobago, all businesses have to register with the Inland Revenue Department (IRD). Business owners have to file taxes based on a self-assessment. Registration with the IRD is also necessary to obtain licenses and access to business loans with commercial banks or MFI. When sales and income are below a certain minimum, people are exempted from tax. There are no special tax policies in Suriname or Trinidad and Tobago for micro-entrepreneurs. Yet, in Trinidad and Tobago companies registered with the Business Development Company (BDC), i.e. small and middle size businesses are entitled to tax breaks. The enforcement of the tax laws in both countries is low. An informant for the IRD in Trinidad and Tobago indicated that field audits have not been conducted since 1999. The IRD in Suriname carries out a yearly field audit and they monitor the press to see if advertised businesses are registered with them. Table 3.4 shows what tax rules and regulations are in force.

Table 3.4: Tax regulations and procedures

	Suriname	Trinidad and Tobago
Compulsory	Yes, self-assessment	Yes, self-assessment
Necessary for	Acquisition licence, Business loans	Registration name, Business loans
Enforcement	Low	Low
Procedure	Self-assessment-bookkeeping	Self-assessment-bookkeeping
What	Corporate income tax, tax on wages, tax on sales, AOV	Corporate income tax, personal Income tax, health surcharges, business and green fund levy
Conditions	Corporate tax exempted for sales below X[67], tax on wages only for businesses with employees, sales tax for specific types of activities[68]	Corporate tax 30% of profit (tax breaks), personal income tax above minimum income (TT$25,000/US$4,170), health surcharges for age 16-60, Business and Green Fund beyond sales TT200,000/US$33,000[69]
Policies	No	No, only when registered with Business Development Company (small business) [70]

[67] This was explained by a senior representative of the Tax-department on October 14th 2004.

[68] Relevant to this study is that the hotel and catering industry, hairdressing and seamstresses and tailor services are eligible. Supermarkets and car mechanics are not subject to tax on sales.

[69] Inland Revenue 2003; Interview with IRD representative 2005.

[70] Businesses registered with the Business Development Company are entitled to a tax break on corporate income tax (Interview with IRD representative 2005).

Business Registration and Licenses

In both countries all entrepreneurial activities have to be registered with the business register. In Suriname the Chamber of Commerce conducts these and in Trinidad and Tobago the Registrar General with the Ministry of Legal Affairs. In addition, only in Suriname, some types of activities need to have a formal licence. Entrepreneurs do this either with the Ministry of Trade and Industry or, especially the smaller ones, through the Districts Commissaris (District Commissioner). Obtaining this licence is a rather complex process, but is necessary in order to obtain access to financial services and some suppliers. Moreover, a licence requires that the business is registered with all other regulatory authorities, i.e. IRD, Chamber of Commerce and Environmental/ Health departments. Table 3.5 gives an overview of the relevant procedures. In terms of enforcement, the relevant institutions in Suriname claim to do street actions to detect businesses that have not registered and state that a large group of informal activities will not volunteer to register. Their opportunities to enforce registration are limited.

Table 3.5: Licences and Business registration

	Suriname	Trinidad and Tobago
Where	Chamber of Commerce	Registrar General (Ministry of Legal Affairs)
What?	Business register	Business register
Compulsory	Yes	Yes
Necessary for	Tax registration, licence	Tax registration
Procedure	Picture, Abstract population register and licence	Name check, reservation company name
Costs	Depending on investment	TT$225 /US$38
Enforcement	Low, courses for small/middle enterprises[71]	low
Penalty	unknown	Unknown
Where	District commissioner/Ministry of Trade and Industry	
What	License	
Compulsory	Yes, for activities in the *'Decreet Beroepen en bedrijven* [72]	
Necessary for	Tax registration, suppliers, customs, Chamber of Commerce	
Procedure	Abstract population register, testimony of nationality, IRD-registration, abstract mortgage, physical and environmental examination, 3 years valid	
Costs	US$100	
Conditions	Need to deliver above paper	
enforcement	Moderate	
Penalty	Unknown	

[71] These are according to the Chamber itself mostly supportive for small and medium sized business and not so much to larger businesses.

[72] Examples of businesses that need to have licenses are for instance hair dressers, shopkeepers, jewellers, tailors restaurants whereas for example florists, importers and taxi drivers do not need to have a license.

3.6 Conclusions

Suriname and Trinidad and Tobago share a history of slavery, colonisation and indentureship. Still the country-specific historical paths produced distinct patterns such as the composition of the population. The population in each country is ethnically diverse. Most political parties also mobilize their support on ethnic sentiments. This may give rise to ethnic tensions. Such tensions appear to be fiercer in Trinidad and Tobago than in Suriname. One explanation for this is that Suriname has a multi-ethnic and multi-polar party system and that the Trinidad and Tobagonian political scenery is basically dominated by two parties. Another reason why ethnic tensions are stronger in Trinidad and Tobago may be related to the geographical segmented character of the country in combination with a conflation of class and ethnicity. For instance, East Port of Spain is generally poor and of African descent. The rural areas in the South and Central Trinidad are mostly Indo-Trinidadian (Lloyd-Evans and Potter 2002:59-64).

Both countries underwent an economic transformation in the early 20th Century. The export of natural resources took off and soon replaced agriculture as the main economic pillar and leading export product and source of foreign exchange. While Suriname increasingly relied on bauxite, crude oil became the leading economic source for Trinidad and Tobago. In the years immediately after Independence up till the early 1980s Suriname and Trinidad and Tobago experienced high economic growth and increases in real incomes. Subsequently both countries experienced economic crisis. Very distinct patterns of economic development occurred after the 1990s. Since the mid 1990s, Trinidad and Tobago's economy has benefited largely from its reserves of oil and liquefied natural gas. The export of these resources has produced high economic growth rates and revenues. These in return have paved the way for increased foreign investment and further diversification of Trinidad and Tobago's economy, reducing its vulnerability. Suriname on the other hand has slowly recovered from an economic crisis that paralysed the country for almost two decades. Its economy is highly specialised and relies heavily on the export of natural resources, mostly bauxite. The manufacturing industry is small and locally oriented. It cannot compete with foreign produced goods. As a result, modest growth rates that have been achieved since the turn of the millennium have not changed the vulnerable character of the economy (Henry and Mhango 2003; De Bruijne 2004). Despite these differences, both economies rely heavily on natural resources for their production, as well as foreign currency, and are vulnerable to outside shocks and fluctuation of prices in the world market. The economic crises in the countries, the measures taken to counter these and current economic neo-liberal policies have had major impacts on poverty levels and the shape of the labour market in each country. The formal labour

market shrank and with it, access to formal employment and job security. For the lower classes, job opportunities are insecure and irregular and often limited to self-employment, mainly in the informal sector. The development of HBEAs needs to be viewed in this context.

At the micro-level of households, social-economic differences between Suriname and Trinidad and Tobago appear less prominent. The most recent comprehensive data on poverty (which stem from before 2000) show a higher incidence of poverty in Suriname than in Trinidad and Tobago. One would expect that current economic trends would have enlarged the gap. Yet, indications are that poverty in Trinidad and Tobago has remained substantial. Moreover, other dimensions of poverty such as lack of access to education, employment and adequate housing are widespread in both countries.

The government of Trinidad and Tobago embraces current neo-liberal thinking and practice and strongly supports a market-led economy. It aims at the development of private enterprises, privatisation of public services and supports foreign capital investments in the country. Yet, the government has also implemented a range of poverty reduction policies in recent years. These are geared towards the creation of (temporary) labour and stimulation of entrepreneurial activities. Suriname's economic policy is less clear and more state-led. It supports foreign capital investments and stimulates the trade sector but local manufacturing and reforms of the public sector have not been given much attention. Poverty reduction policies are modest and take the shape of state support for basic commodities and health care. A central question in this thesis is to what extent policies such as these reach and are relevant to HBEA-operators.

The provision of technical skills through traditional schools is limited in both countries. In Trinidad and Tobago a wide range of alternative institutions are available, which provide skills and knowledge to low-income groups and entrepreneurs. These are funded by the government and INGOs. The range of organisations in Suriname is much smaller. Furthermore, whereas in Trinidad and Tobago courses are free and widely accessible, the courses in Suriname focus specifically on women or school drop outs.

The economic crisis in Suriname has induced inflation and created a very unfavourable financial environment. As a result, loans and credit through formal institutions are expensive and not widely available. Moreover, saving in local currency has been considered un-economic and motivated people to search for value-stable forms, e.g. gold and foreign currency. The financial sector seems to be improving but is still much weaker than that in Trinidad and Tobago. In Trinidad and Tobago the range and

number of formal financial organisations is larger. Moreover, the lower interest rates of commercial banks, CUs and MFIs make those more accessible for low-income groups in Trinidad and Tobago, than in Suriname. HP, on the other hand, is very expensive in Trinidad and Tobago and very cheap in Suriname. In terms of security requirements no differences exist between Suriname and Trinidad and Tobago. Generally, commercial banks have the strictest requirements and HP is the easiest accessible. The regulatory frameworks are similar for each country. Despite, rules and regulations existing for micro-operators, including HBEAs, enforcement is low. Overall, the policies and services available for entrepreneurs in Suriname are limited in comparison to those in Trinidad and Tobago.

4

CARIBBEAN URBAN LIVELIHOODS

ASSETS, VULNERABILITY AND DIVERSITY

'The freedom of agency that we individually have is inescapably qualified and constrained by the social, political and economic opportunities that are available to us' (Amartya Sen, Development as Freedom, 1999:xi)

This chapter focuses on household livelihoods and vulnerabilities in the four low-income neighbourhoods in Paramaribo and Port of Spain. It discusses how different households in these areas make a living and what type of households are relatively better and worse off in terms of their assets and vulnerabilities. Furthermore, where data allows, differences at the individual level, i.e. related to gender and ethnicity, are considered. Finally, the chapter seeks to answer the question to what extent households operating Home-Based Economic Activities (HBEAs) can be distinguished from households without such activities.

In order to answer these questions an asset and a vulnerability-index have been developed and a statistical analysis is applied to measure correlations between assets and vulnerabilities on the one hand and household characteristics on the other. Quantitative approaches such as these to assess livelihoods are rare (cf. Baud *et al* 2008) and are up for considerable discussion, not least because building an asset-index needs validation through fieldwork. An advantage of such a quantitative approach is the opportunity to detect linkages between household, locational and individual characteristics on the one hand, and assets and vulnerabilities on the other. The selected indicators in this study are well founded in the

contemporary literature on livelihoods. Together with the more qualitative information that is also available through focus groups, surveys and in-depth interviews, a thorough understanding of livelihoods can be obtained.

The analysis in this chapter builds on the asset-vulnerability framework that has been developed by Carolyne Moser (1998) who was one of the first to thoroughly examine livelihoods in urban areas. Her framework categorizes assets of urban households and shows how 'obstacles and opportunities in asset accumulation affect household vulnerabilities'. My study adds to Moser's framework by systematically analysing the impact of country, neighbourhood, household and individual characteristics on asset portfolios, livelihood activities and levels of vulnerability. The household characteristics taken into consideration are household headship, household size, dominant ethnic group, household composition, and life stages. Furthermore, gender as an individual characteristic is taken into account.

4.1 Theorizing Urban Livelihoods: Assets, Strategies and Vulnerabilities

Current research on deprivation and vulnerability in urban areas employs the livelihoods concept. Ellis (2000:10) defines livelihoods as 'comprising the assets, activities and the access to these (mediated by institutional and social relations) that together determine the living gained by an individual or household' (see also: Chambers and Conway 1991; Moser 1998; Beall and Kanji 1999; Bebbington 1999; Allison and Ellis 2001; De Haan and Zoomers 2005). Households, individuals and communities develop livelihood strategies based on assets and livelihood activities available to them. Most individuals and households develop a mixture of productive and reproductive (including domestic) activities, borrowings and savings, and social networks, adjusted to their own circumstances (such as age, gender, stage in lifecycle, skills and education) and preferences (Farrington *et al* 2002; Rakodi 2002). The strategies that households develop are designed to recover from stresses or shocks, or to maintain or enhance assets or capabilities to provide a secure and sustainable livelihoods.

Urban Living

Initially, the livelihoods approach analysed the lives of rural households and communities in poorer countries and emphasized the role and importance of natural capital for rural residents (Bebbington 1999; Satterthwaite and Tacoli 2002). Therefore, the livelihoods approach has usually had a strong rural connotation. On the list of 'standard' works on livelihoods only Carolyne Moser's study of 1998 has an explicit urban

focus.[73] That study and Rakodi and Lloyd-Jones's edited volume on urban livelihoods (2002) form the main body of (theoretical) work on urban livelihoods. No sharp division can be drawn between the urban and the rural. It is a continuum with sparsely populated rural areas at one pole and densely populated mega-cities at the other, but most settlements somewhere in between those extremes (Satterthhaite and Tacoli 2002). Similarly, the spatial pattern of many settlements gradually develops from urban to peri-urban to rural. Furthermore, the importance of rural assets for urban living is acknowledged and linkages between the two in terms of labour, education and remittances, are increasingly acknowledged (Farrington *et al* 2002; Meikle 2002). Despite its rural origins, the livelihoods approach is suitable for analysing urban deprivation and vulnerability, but needs to be adapted to include relevant urban features and shift away from typically rural phenomena.

First of all, urban life is characterised by a high level of commoditization, i.e. urban residents have to pay for most of their consumption goods and basic needs (such as food, fuel, shelter, transport, and infrastructural services) and can hardly rely on their own production. As a result, urban residents have a higher demand for and also depend more on cash income than their rural counterparts (Moser 1998; Farrington *et al* 2002; Meikle 2002; Rakodi and Lloyd-Jones 2002; Satterthhaite and Tacoli 2002:57). Second, social structures in urban areas are very different from those in rural areas. Social networks are more diverse and go beyond the family and immediate environment of the neighbourhood or village to include for example religious or work related networks. Studies on the importance of social networks for urban livelihoods differ in emphasis. Some findings focus on harmony and describe how urban households rely on networks of mutual support based on solidarity for their well being (Baud 2000; Hordijk 2000; Meikle 2002). Others stress conflict and exclusion and argue that 'typical urban features' such as social fragmentation, diversity and weaker social links make social capital a viable asset for only a small section of urban residents (Silvey and Elmhirst 2003). Strong social networks are generally assumed to decrease vulnerability, but as Portes (1998:7-8) and Portes and Sensenbrenner (1993) point out, social networks may generate negative consequences, such as excessive claims on group members or the development of 'downward levelling norms' as well. Furthermore, social networks may reproduce social inequalities (for example with regard to gender) that frustrate social mobility and better livelihood chances, rather than enhancing it (Silvey and Elmhirst 2003).

[73] Some of the 'classics' on livelihoods: Chambers and Conway 1991; Moser 1998; Bebbington 1999; Leach *et al* 1999; De Haan 2000; Ellis 2000.

Third, the lives of the urban poor lead to specific 'urban' forms of insecurity and vulnerability at individual, household and community level (Moser 1995:147). The urban poor often live in informal settlements and lack tenure security. Their illegal status prohibits their participation in decision-making and makes them vulnerable to harassment and eviction. They also rely on unstable incomes from insecure and informal jobs. Their vulnerability is further exacerbated by the violent and environmentally hazardous situation to which their living and working conditions expose them. Especially 'brown agenda' issues such as poor quality of water, sanitation, waste and air pollution jeopardize their health and living conditions (Moser 1998:4; Satterthaite and Tacoli 2002:57; Jaffe 2006). Finally, relations between urban households and the government, organisations and institutions are complex, and strongly affect access to assets, services and livelihood activities. The ability to exercise citizenship is therefore very important to urban residents.

Studies on Caribbean urban livelihoods are fairly limited, with the exception of studies on Jamaica such as those by Moser and Holland (1997), Moser and McIlwaine (1997) and more recently by Henry-Lee (2005), Jaffe (2006) and Dodman (2007). Studies by Kromhout (2000) and Verrest (1998) are the most recent examples of comprehensive studies on urban livelihoods in Suriname. In Trinidad and Tobago, studies from Kairi Consultants Ltd., Ryan *et al* (1997), Lloyd-Evans and Potter (2002), Henry (2004 (issued 2006)), Janssen (2004) and Verrest (2007) provide the most recent documented views of urban poverty and livelihoods. These studies show how social (e.g. violence and crime), environmental and economic (lack of access to education, labour and regular income) vulnerabilities shape daily lives of Caribbean urban poor. Moreover, they emphasize how households develop a range of strategies to spread risks and counter insecurities.

Assets

The focus in the livelihoods debate is on vital assets that people need to access in order to obtain a livelihood and withstand shocks and stresses (De Haan 2000; Ellis 2000:28). Households and individuals build up a livelihood by mobilizing their diverse assets and develop livelihood strategies. Usually human, productive or physical, financial, social and natural assets are distinguished from one another, but for urban livelihoods natural assets are captured under the term physical assets (Chambers and Conway 1991; De Haan 2000; Rakodi 2002).

Access to *human assets* is generally seen as a necessity for individuals to build a livelihood. It refers to quantitative and qualitative aspects of labour resources such as health status, skills and education, labour and available working hours (Bebbington 1999; Meikle 2002:46-47; Rakodi and Lloyd-

Jones 2002). These are seen as the most important assets for urban residents. Health care and educational facilities are more widely available in urban areas but not necessarily more accessible (Farrington *et al* 2002). Furthermore, economic specialization in urban areas requires higher levels of education for admittance to the labour market. Labour activities predominately take place in the overcrowded low-skill informal segments of the labour market where large groups of urban poor with limited skills compete for insecure and low-paid jobs (Beall 2002:75; Farrington *et al* 2002:29). High levels of under- and unemployment exist in urban areas and in order to meet the need for cash income many people undertake a variety of labour related activities, both as employers, employees and self-employed workers (Meikle 2002:38-39).

Financial assets refer to savings, loans, credits, remittances and pensions. Authors with a rural focus such as Bebbington (1999) and Ellis (2000) do not incorporate these assets in their frameworks but they are considered of central importance to urban livelihoods and discussed in relations to the availability of financial services (cf. Farrington *et al* 2002; Rakodi and Lloyd-Jones 2002). The urgency in financial assets is not just having enough money to fulfil daily needs but also having access to flows of money in times of crisis or for long term investments (Amis 2002:115). Moreover, access to financial assets is of vital importance for access to other assets. This means that saving and borrowing opportunities are crucial for urban poor. These services can be arranged on a scale ranging from formal, via semi-formal to informal channels. Examples of formal institutions are banks, credit unions and recently micro-finance institutions. An example of a semi-formal institution is hire-purchase and informal institutions include ROSCAs[74], family, friends and money lenders (Lont and Hospes 2004). Hence, access and use of financial services is a prerequisite for development of livelihood activities and reduction of livelihood vulnerability but is also the result of successful livelihood activities.

Social capital is a core concept in social science literature. It is applied to understand social features and issues at various scale levels such as country, city, household and individuals. The livelihoods approach is mostly engaged with social capital at the level of communities, households and individuals. Moser's (1998:4) definition (but see also Farrington *et al* 2002; Rakodi 2002) for the urban context is applied here: 'reciprocity within communities and between households based on trust deriving from

[74] Rotating Saving and Credit Associations, locally known as *kasmoni* in Suriname and *souson* in Trinidad and Tobago. See for an extensive study on *kasmoni* in Suriname and The Netherlands Aspha Bijnaar's thesis (2002).

social ties'. Households are engaged in complex, multilayered and dynamic social relations and networks.

Productive assets (Moser 1998), physical capital (Allison and Ellis 2001; Rakodi and Lloyd-Jones 2002) or produced capital (Bebbington 1999) represent assets such as tools, machinery, stocks, household goods, social and economic infrastructure and housing (Meikle 2002:46-47). Housing and home-ownership are vital assets in the livelihoods of urban poor. Not just in terms of shelter and security but also in terms of the access it creates to other assets such as financial assets. Moser (1998) shows how productive use of a house, through renting out of rooms or operating home-based economic activities (HBEAs) is the most important activity for urban people after labour (Beall and Kanji 1999:1; Farrington *et al* 2002:22). Other than the above mentioned assets, access to space on locations in or close by livelihood opportunities is vital (Brown and Lloyd-Jones 2002:191). The most suitable locations for livelihood activities are often popular, and therefore expensive, dangerously located and vulnerable to eviction because of their visibility (Payne 2001 and 2002).

Livelihood Activities

The urban poor mobilize their assets in livelihood activities. The livelihood strategies of poor urban households consist primarily of labour-related activities. Labour not only consists of productive activities but also of reproductive activities and these are predominantly carried out by women. In times of crisis consumption modifying strategies and reduction in the quality of infrastructure increase the time spent by women on reproductive activities (Moser 1998). This constrains their options on the labour market and increases the length of working days. Other activities are migration and remittances, informal credit arrangements, social security and support networks (Moser 1998). These livelihood activities produce income, goods, social status, assets and information that in turn can contribute to the capabilities, welfare and well- or ill- being of individual household members. Moser (1998) found that productive use of a house, through renting out of rooms, horticulture, animal breeding or operating enterprises from the house is after labour the most important asset for urban people. Literature confirms this finding (cf Beall and Kanji 1999:1; Farrington *et al* 2002:22) but is rather silent though on the ways urban people can mobilize this asset and its value for their well being. In the livelihoods literature considerable attention is paid to what individuals and households aim at with their livelihood strategies, especially when they are confronted with sudden or structural changes in their economic, social, political and environmental context (cf. Ellis 2000; Farrington *et al* 2002). Household strategies can assist in their goals to survive, increase security or expand their wealth (Beall 2002:73).

Vulnerability

Vulnerability refers to the ability of households, individuals and communities to bounce back when confronted with adverse situations (cf. Blaikie and Brookfield (1987 in Moser 1998)). Central elements in the vulnerability context of urban households are their illegal or informal status (notably in dealing with 'authorities'), their poor living environments and their dependence on cash income for basic goods and services (Meikle 2002:37-38,48-49). The levels of well being and security within households are seriously jeopardized by shocks such as a sudden loss of job, illness, floods or house eviction and to more gradually developing trends such as the reduction of jobs in lower segments of the labour market, increasing inflation rates, the breakdown of social structures, increasing crime levels and the opening up of national markets to cheap imports. The extent to which households are able to cope with these crises is determined by two vulnerability dimensions: their resilience and sensitivity. It is people's assets, livelihood activities and household composition that strengthen or weaken their levels of sensitivity and resilience and therefore vulnerability. Thus, the baskets of assets and ranges of livelihood activities people develop not only provide them with the means to fulfil their daily demands and needs, but also with shields and resources to protect them against outside threats. In times of crisis households will often develop coping mechanisms such as investing in securing more of a specific asset, substitution of one asset for another, disposal of an asset to compensate for consumption shortfall or to sacrifice the ability to access and utilise an asset in the future (Rakodi 2002; Farrington *et al* 2002:26). Some strategies may be promising in the short term, but may reduce future resilience and responsiveness.

An overarching strategy of low-income households, both in urban and rural areas, is diversification (Farrington *et al* 2002). As Ellis (2000:406) explains, diversification is not a new phenomenon or a short-term action but pervasive and widespread. For some groups, notably low-income urban women, it is a way of life (Beall and Kanji 1999; Ellis 2000:406; Moser and McIlwaine 1997). Diversification enables households to reduce their dependence on one source of income and to deal with irregularity in income sources. Research by Bebbington (1999) and Krishna (2004) in rural areas demonstrates that diversification is the crucial factor explaining why some households are able to improve their livelihood situation. Other than diversification, the ability to build up savings and maintain a regular flow of incomes assists households in coping with their daily and emergency financial needs. Health expenses, the loss of a job or inflation require financial back-up (Meikle 2002; Krishna 2004:122). Income fluctuations add to problems for households to secure basic needs and cope with crises. Realising a steady flow of money is therefore one of the most important ways for households to reduce their vulnerability.

Moser's study (1998) shows that households develop various strategies that result in either consumption modification or extra income generation. For instance they increase the number of household members that have paid work (especially women and children), increase reliance on family support networks, increase the size of the household, make more use of informal credit arrangements and diversify their income through development of home-based enterprises and renting out of rooms. Figure 4.1 shows the framework for analysing urban livelihoods.

Figure 4.1: Urban livelihoods framework

Livelihoods platform	Access modified by	In Context of	Resulting in	Composed of	With effects on
Assets Natural Physical Human Financial Social	**Social relations** Gender Class Age Ethnicity **Institutions** Rules & laws Tenure Market practice **Organisations** Associations NGOs Government Private sectors	**Trends** Migration National economic trends Globalisation Labour market Education Crime **Shocks** Flooding Illness Unemployment Social unrest	**Livelihood strategies**	Labour Self-employ. Remittances Transfers Savings Credits Agriculture	Livelihood security Size income Reg. Income Seasonality Risks

Source: adapted from Ellis' framework on analysing marine livelihoods (Ellis 2000)

4.2 Caribbean Households: Diversity and Change

People centred approaches to poverty, such as the livelihoods approach, resulted in increasing acknowledgement of the diversity between poor households and their relations to livelihood opportunities. Households differ according to the gender of the head, stage in life-cycle, ethnic composition, size, and the relation between able-bodied and non-able bodied members (Gonzáles de la Rocha 1994; Beall and Kanji 1999; Chant 2002). What assets and livelihood opportunities are accessible and preferred by households depends on such household characteristics (Rakodi and Lloyd-Jones 2002). Not only diversity between households but also within households affects livelihood opportunities. Moser (1998) for example, considers household relations one of the main assets for urban residents and states that household composition, structure, and cohesion play a very important role in a household's ability to adjust to changes. Gender and age relations between members determine the extent to which households can mobilise additional labour and are adaptive institutions for pooling income and sharing consumption (Kabeer 1994). Household headship, composition, and the life stage and gender roles are very decisive in explaining the kind of livelihood activities taken up.

Household Headship and Composition

The Southern Caribbean is characterized by its ethnic diversity. Yet, table 4.1 demonstrates that whereas the ethnic variety of the Surinamese sample is large, the Trinidad and Tobagonian population is predominantly of African descent (see chapter 2.2 for explanation). As a result, the opportunities to examine ethnic differentiation in this study are limited. The impact of ethnicity on livelihoods is often thought to refer to the sources of income, e.g. entrepreneurship being a more Hindustani/Indo-Trinidadian activity and working for the government a more Creole/African occupation. Furthermore, ethnicity impacts on household relations in general, and with regard to gender and household composition specifically.

Table 4.1: Ethnicity of household by country and neighbourhood (in %)

	Creool/ African	Hindustani/ Indo-Trinidadian	Marron/ Maroon	Multiple/ Mixed	Other	Total
Krepi	29	37	2	23	9	23
Nieuwweergevondenweg	35	25	17	9	13	25
Suriname	*33*	*31*	*10*	*16*	*11*	*49 (n=191)*
Gonzales	75.	4		21		26
Mount d'Or	54	16		30	1	26
Trinidad & Tobago	*64*	*10*		*25*	*1*	*51 (n=202)*
Total	49 (n=192)	20 (n=79)	5 (n=19)	21 (n=81)	6 (n=22)	100 (n=393)

Association countries: Cramer's is V 0.46; significant at 0.00; Association neighbourhoods: Cramer's V is 0.33; significant at 0.00

Households headed by a single (usually female) person as opposed to a couple are common throughout the Caribbean. Traditionally this group is thought to be more vulnerable than two-parent households but ample evidence (cf. Chant and Campling 1997; Chant 2002) shows that female-headed households are not necessarily poorer in terms of income and definitely not in terms of other poverty criteria. Besides, they are not necessarily more vulnerable nor experience lower levels of well-being. In this study a distinction is made between households headed by a couple (2P), households headed by a single female (FHH) and a single male (MHH). The distribution of household heads in the sample of this research (see table 4.2) reveals that the households interviewed showed large variations. Almost half in Suriname and more than half in Trinidad and Tobago are headed by a single person, which buttresses the importance of analysing relations between head of household and livelihood indicators. Differences between the two countries are the result of ethnic differences. FHH are more numerous among Creole/African than among Hindustani/East Indian or households of another ethnic composition.

Table 4.2: Head of household by country and neighbourhood (in %)

	2-parent household	Female headed household	Male headed household	Total
Krepi	55	35	10	23
Nieuwweergevondenweg	64	25	11	25
Suriname	*60*	*30*	*11*	*49 (n=191)*
Gonzales	38	48	15	26
Mount d'Or	53	31	17	26
Trinidad & Tobago	*45*	*39*	*16*	*51 (n=202)*
Total	52 (n=205)	35 (n=136)	13 (n=52)	100 (n=393)

Association countries: Cramer's is V 0.15; significant at 0.01; Association neighbourhoods: Cramer's V is 0.15; significant at 0.01

A third characteristic of Caribbean households is their extension with a third or fourth generation or other laterally related relatives (Safa 1995; Verrest 1998; Kromhout 2000; Chant 2002). This research distinguishes between nuclear (49 percent), extended (39 percent) and other households (12 percent). The latter category consists mostly of one-generation households (usually one person).[75] Household size can affect livelihood opportunities and vulnerabilities for households. Larger households have chances to share costs of living (e.g. housing and infrastructure) and time for care. However, they are in need of more income and living space to fulfil their basic demands. Table 4.3 shows the distribution of household in the four communities in terms of size. The larger average size of households in Suriname is caused by a number of very large (10-14 persons) Marron/Maroon households in Nieuwweergevondenweg.

Table 4.3: Size of household by country and neighbourhood (in %)

	1-3	4-6	7-9	10 (+)	Total
Krepi	47	40	11	2	23
Nieuwweergevondenweg	31	40	21	7	25
Suriname	*39*	*40*	*16*	*5*	*49 (n=191)*
Gonzales	49	37	12	3	26
Mount d'Or	50	42	6	3	26
Trinidad & Tobago	*49*	*51*	*9*	*3*	*51 (n=202)*
Total	44 (n=173)	40 (n=156)	13 (n=49)	4 (n=15)	100 (n=393)

Association countries: Cramer's is V 0.14; significant at 0.06; Eta is 0.13; Association neighbourhoods: Cramer's V is 0.13; significant at 0.03; Eta is 0.20. Mean in Suriname is 4.54 and mean in Trinidad and Tobago 3.89

Household Dynamics: Demography and Dependency

Household dynamics are a final important component of household and livelihood diversity. Households are not static units but change over time as a result of people's capabilities and choices, strategic decisions (e.g. on fertility or migration), and generational composition (Rakodi 2002). Chant

[75] No significant differences between country or neighbourhood existed.

and Campling (1997) and Gonzáles de la Rocha (1994) distinguish a household life-cycle consisting of four stages. In each stage, households are confronted with specific demographic demands and have (or lack) specific opportunities to fulfil these needs.

The household life-cycle concept is useful for livelihoods analysis because it points at needs, vulnerabilities and opportunities of households that relate to specific life-cycle aspects of the household, i.e. dependency ratios and age of household members. Yet, for proper application in the Caribbean context it needs to 'be considered in relation to the particular socio-economic and cultural characteristics of given societies and contextualized with reference to a wide spectrum of other factors' (Chant and Campling 1997:3). The household life-cycle and its stages are most relevant for nuclear households and it has difficulty capturing the development and changes of extended households. As was shown above, many Caribbean households differ from this nuclear type. Another problem is the assumption in the life-cycle approach that households develop according to a cyclic pattern. Some do progress according to the prescribed stages. Others, however, may move back and forth between various phases and never go through all of them. Finally, the perception of the household life-cycle as a 'natural process' blinds us to developments and changes within households that are the result of external shocks or intended actions taken by household members. They may change the household structure deliberately, e.g. in order to reduce costs of living, increase the number of earners or improve the dependency ratio in households (Gonzáles de la Rocha 1994; Moser 1998).

Therefore I do not perceive of the development of households as a cycle with stages connected with each other through a predetermined order. Rather, I focus on the modalities of household compositions that are related to dependency ratios and age and will refer to this as the 'age-dependency structure'. Households may or may not find themselves in a specific situation of this age-dependency structure at one or more moments of their existence. Each of these conditions is related to specific demands and vulnerabilities of, and opportunities for, households. The state of age and dependency changes over time because of demographic developments and deliberate social or economic action by household members. I distinguish four possible situations. Three of them are adjusted from the stages of expansion, consolidation and dispersion of the original life-cycle model (Gonzáles de la Rocha 1994). In addition, a forth condition of 'transition' is introduced.

Expanding households consist of two generations: (non-able-bodied) children and (able-bodied) adults. The children are all below 15 years of age. Such households often experience an uneven balance between able-

bodied and non able-bodied members and between income-producers and income-consumers. Moreover their members require relatively large amounts of time and capital to enable education, care and housing needs. Expanding households are often perceived of as vulnerable.

> 'So this is hard work. I need to work and take care of these children. You want to spend time with them but also give them opportunities to go to school and study. I kind of manage now to take care of everything but my mother in the US helps out when I need it. I live here in my grandmother's house and pay cheap rent. That is my blessing because I do not know how to care for a place of my own' (Juliette, 31, Gonzales, Trinidad and Tobago).

In the original life-cycle model, households in a condition of *consolidation* are made up of a parent(s) with grown-up children who take care of themselves and are able to generate income (Gonzáles de la Rocha 1994). The Caribbean reality shows, however, that many households in such a condition have a different composition. Often they consist of three connected generations, either vertically (e.g. parent(s) with at least one adult child and (young) grand children) or horizontally (e.g. two siblings with their partners and adult children). I have labelled households as consolidated when no one of the eldest generation is older than 65 and at least one of the youngest above 15. Consolidated households have a higher fraction of able-bodied members compared to households in other stages. The time and capital needed for care and education are also smaller than for example in expanding households. Then again, the need for capital to invest in better or larger housing is often still present. Consolidated households are generally less vulnerable and better equipped with opportunities:

> 'In our family it is my parents, my brothers and sisters and our children. My mother works from home and so do I. We take care of the small children and the household. All the others work. My brothers and husband are fishing, my sister is in the army and my father works for Sail' (Esther, 33, Krepi, Suriname).

Dispersed households endure a state of being where adult children have left the household to start their own households and the parents (or parent) are on their own again. It is only applicable to nuclear households or single person households. The household life-cycle approach perceives of this phase as the last stage of the cycle. Theoretically, dispersed households can consist of relatively young members but in the Caribbean practice it mostly refers to rather old people. Moreover, as table 4.4 shows, their number is small in the area under consideration. The ability of members in such households to generate income shrinks and demands for care and health expenses grow. As a result, livelihood demands and opportunities become unbalanced and vulnerability grows. These

households increasingly depend on financial support from children and the government (old age pension).

> 'It is just me and my husband here. He is sick and I am not well either. He gets old age pension but that is nothing. Our children in Holland send us some money and that gets me through the month' (Regina, 59, Nieuwweergevondenweg, Suriname).

As a fourth condition, a state of *transition* is distinguished. It applies to households that are composed of two or more generations and of which the eldest generation is older than 65. One can think for example of a couple, aged 70 and 75, with their adult children and teenage grandchildren or a grandmother living with grandchildren. The relationship between able-bodied and non able-bodied members can be rather unbalanced in these households and demands for time and capital for care can be high. This can result in large claims on the able-bodied members of the household. On the other hand, in such households demands for education and housing are largely satisfied.

> 'Me and my sister live here with my children and my parents. My stepfather is ill and my youngest daughter is not well either. I cannot go out and find a job. In stead I help my mother in the shop since that became too heavy on her. My sister works outside. Either my mother or me take care of my stepfather and daughter if she is ill' (Maria, 27, Mount d'Or, Trinidad and Tobago).

Table 4.4 displays the distribution of position in the age-dependency structure in the samples in Paramaribo and Port of Spain. It shows a dominance of consolidated households and very few dispersed households. This means in more than half of households the age-dependency structure is advantageous.

Table 4.4: Age-dependency structure household by country and neighbourhood (in %)

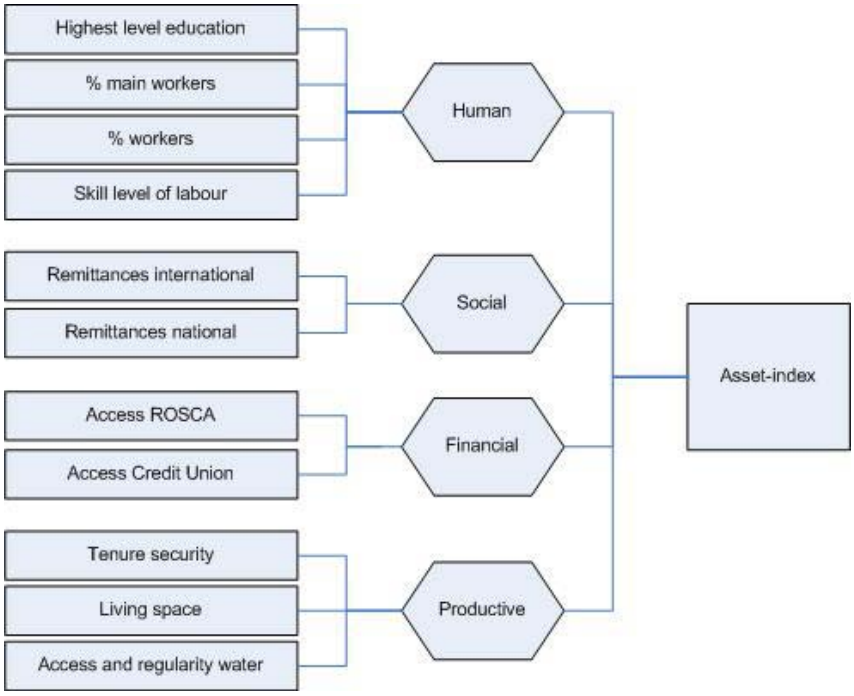
	Expansion	Consolidation	Transition	Dispersion	Total
Krepi	24	52	16	8	23
Nieuwweergevondenweg	23	53	18	6	25
Suriname	*24*	*52*	*17*	*7*	*49 (n=191)*
Gonzales	11	69	14	6	26
Mount d'Or	19	57	18	6	26
Trinidad & Tobago	*15*	*63*	*16*	*6*	*51 (n= 202)*
Total	19 (n=75)	58 (n=228)	17 (n=65)	6 (n=25)	100 (n=393)

Association countries: Cramer's V 0.13; significant at 0.10; Association neighbourhoods: Cramer's V 0.09; significant at 0.36

4.3 Assets: A Picture from Low-Income Groups in Paramaribo and Port of Spain

The asset-index used here to assess the livelihood opportunities for low-income groups in urban Suriname and Trinidad and Tobago consists of the quality and size of their human, social, financial and productive assets. The value of each of these individual assets equals the average score of a household on the (two or more) indicators selected to represent that specific asset. The possible scores on each indicator have been standardised (with zero and one as the respective minimum and maximum score) as a means to give each indicator the same weight in the composed asset. A similar approach has been taken by Baud *et al* (2008) in their assessment of urban assets and deprivations in New Delhi (India). The selection of indicators is based on (Caribbean) literature on livelihoods and has been further refined in various focus group discussions held in the research locations. Literature on urban livelihoods indicates that human assets are most important in urban livelihoods. Therefore, human assets are weighted double in the final asset-index. Figure 4.2 shows a schematic presentation of the asset-index.

Figure 4.2: The asset-index



Human assets at household level are represented through four aggregate indicators: the highest level of education of any member within the

household[76]; the percentage of household members whose main activity is (paid) labour; the percentage of household members in the household with a paid job; and the skill-level of the job.[77] Financial assets are represented by households' use and membership of financial institutions, i.e. bank, credit union (CU) and ROSCAs. In three out of four households at least one member has a bank account. This high percentage reflects good accessibility of banks in both cities. Yet, having a bank account primarily enables receiving (formal sector) salaries and is not necessarily related to access to loans, credit or saving. Household members that participate in ROSCAs, or are a member of a CU, save and often also borrow money through these channels. As membership of a bank hardly distinguishes between households, indicators of the amount of financial assets are represented through membership of a credit union and participation in a *kasmoni* or *sousou* (local terminology for ROSCA).[78] Social assets have been represented through membership of transnational family networks that result in remittances and on the other in local social networks that contribute to household income.[79] The productive or physical assets of households, finally, are defined as access to and regularity of drinking water; degree of tenure security and overcrowding.[80]

[76] I have distinguished between no education (0), primary education (0.25), secondary 4 (O-level)(0.5), secondary 6 (A-level) (0.75) and tertiary (1).

[77] Used to assess this, is the Dictionary of Occupation in Trinidad and Tobago. The lower skilled categories such as elementary professions, plant and machine operators, crafts men en agricultural workers have been classified under "low skills"(0):, the clerks and service-workers as a middle group (0.5), and the legislators, managers, associate professionals and technicians as high (1).

[78] Categories: No member (0) or member (1).

[79] These scores are based on the following categories: having no contributing network (0), having a network that contributes irregularly (0.5), or having a network that contributes regularly (1).

[80] Access and regularity of water has three scores: no access to pipe-born water (0), access to pipe-born water but provision is irregular (0.5) and access to pipe-borne water with continuous provision (1). Overcrowding is represented by calculating the number of household members per bedroom; a maximum of 1.5 persons per bedroom is considered spacious (1), between 1.5 and 3 moderate (0.5) and those with 3 or more members in a bedroom as overcrowded (0). Tenure is represented through the score of household on their tenure situation regarding their land and their house. Categories are squatting (0), renting from private party (0.33), ownership/leasehold by family (0.67), private property/leasehold (1).

Scores on asset-indicators show a large variety. In order to assess the relationship between country, neighbourhood (locational variables), household indicators and assets, I have conducted a variance-analysis using the GLM univariate procedure.[81] Using this procedure a value for eta^2 ($\acute{\eta}^2$) is created, which indicates what percentage of the variation in scores on the asset-index is explained by one or more of the household and locational variables. The results show that country, the dominant ethnic group and household age-dependency structure best explain the variance in scores of households on the asset-index. Together these variables explain 17 percent of variation but the age-dependency condition is most dominant. Household and locational characteristics explain a part of variation in asset-index but a large fraction of it is not explained by these variables. Other factors that probably affect variations in household asset bases are related to characteristics of individual household members and the institutional context. For example, one can think of the ambition and gender of individual members, the family background or education policies.

Table 4.5: Household scores on total and individual asset-index by various characteristics

		Asset-index		Human assets		Financial assets		Social assets		Productive assets	
		μ	$\acute{\eta}^2$	μ	$\acute{\eta}^2$	μ		μ	$\acute{\eta}^2$	μ	$\acute{\eta}^2$
Country	Suriname	.38	.05**	.43	.01*	.14	.14**	.21	.01	.69	.04
	Trinidad & Tobago	.44		.48		.39		.26		.60	
Age/ dependency	Expansion	.37	.08**	.43	.21**	.28	.03**	.16	.03**	.57	.06*
	Consolidation	.43		.50		.28		.24		.64	
	Transition	.42		.44		.30		.23		.71	
	Dispersion	.29		.12		.06		.38		.79	
Ethnicity	Creole/African	.44	.08**	.48	.02	.37	.27**	.25	.03*	.64	.01
	Hindustani/Indo-Trini.	.35		.43		.1		.15		.67	
	Marron/Maroon	.35		.40		.1		.29		.55	
	Mixed	.42		.43		.11		.28		.64	
	Other	.36		.45		.31		.15		.69	

**= significant at 0.01 level; *=significant at 0.05 level; μ= mean score; $\acute{\eta}^2$ (eta squared) is the proportion of total variability attributable to a factor

[81] The General Linear Model (GLM) univariate procedure provides regression analysis and analysis of variance for one dependent variable by one or more factors. The factors divide the population into groups. Using this procedure, one can test null hypotheses about the effects of other variables on the means of various groupings of a single dependent variable. In addition, the effects of co-variance can be included. The eta-squared ($\acute{\eta}^2$) statistic describes the proportion of total variability attributable to a factor.

An explanation for the strong relation between assets and age-dependency lies in the demographic characteristics of each state of age-dependency. For example, an expanding household generally entails few able-bodied members which mean that few people are able to take up labour activities. This in turn affects the human asset portfolio the household has at its disposal. In order to explain the importance of the various household variables, the scores on the asset-index and the underlying individual criteria of categorised households are represented in table 4.5.

Human Assets

'Je diploma is je eerste man', which is best translated as 'your diploma is your first husband' is an often-used expression in Suriname. It emphasizes the importance of education in acquiring a living, particularly for girls. In addition, it proposes that people need to take care of themselves rather than being dependent on others for income. Both in Suriname and Trinidad and Tobago education is highly valued. For example, during SEA, CXC and A-Level[82] examinations in Trinidad and Tobago, local newspapers report extensively on the examination proceedings and proudly present the names of each year's winners of 'president medals'.[83] In Paramaribo, the high percentage (almost 20 percent in this study) of students following education beyond the compulsory age confirms the importance attached to education.[84] Finally, in both countries vivid discussions take place within the government and in local media regarding the perceived diminishing quality of education and the high drop-out rates. The large proportion of students that fail to pass exams, drop out, or need to repeat a class and the alarming increase in school violence further indicate these education problems. In the majority of households in the survey (54 percent) at least one member had attained a secondary education. In a third (31 percent) the highest level of education reached was primary school and in 13 percent at least one member had completed tertiary education. In today's Caribbean, girls' school performance is better than boys' and they outnumber boys in higher levels of education. The level of education at the individual level in our sample does not show large differences between men and women.[85]

The mean percentage of working household members was 46 percent and for almost everybody this was the main activity. Employment opportunities in Paramaribo and Port of Spain are limited. For many

[82] See chapter 3.4 for a detailed description of the Trinidad and Tobagonian and the Surinamese education system.
[83] A government prize for outstanding students.
[84] However, one should note that many students take more than the basic number of years to complete their education because of frequently failing a grade.
[85] Gender: Cramer's V is 0.11; significant at 0.02.

people 'being employed' means having more or less regular work, often for an employer. Being self-employed, especially with irregular work and too little income to maintain oneself is not considered 'having a job'. In both countries people refer to this type of labour as 'hosselen' (Suriname) or 'hustling' (Trinidad and Tobago).

Table 4.6: Occupational group in survey-sample and country (in %)

Sector	Suriname	Survey	Trinidad &Tobago	Survey
Legislators, senior officials & managers	6	2	8	1
Professionals	8	1	3	1
Technicians and associate experts	8	15	12	11
Clerks	10	12	12	12
Service workers and shopkeepers	15	15	15	15
Agricultural, forestry and fishery workers	9	1	3	2
Craft and related workers	15	24	17	30
Plant & machine operators/assemblers	8	9	9.	6
Elementary occupations	18	21	22	23
Unknown	3			

Source: survey data author and data census 2000 (Trinidad and Tobago) and 2004 (Suriname)

Of all the people of at least 15 years of age, 54 percent were performing labour and nine percent reported being unemployed. The percentage of people having a paid job was similar in both countries but in Suriname many more people reported being a student or housewife and less being unemployed than in Trinidad and Tobago, in other words the labour force was smaller in Suriname (see also chapter 3.4).[86] Unemployment rates in Trinidad and Tobago as a whole are lower than in the research sample, whereas in Suriname the percentages (of 2004) are comparable to those of the sample.[87] A gender-specific analysis shows that a much larger percentage of the female population than male population is outside the labour force (56 percent versus 35 percent). Especially women retrench from the labour force and focus primarily on unpaid labour (i.e. as

[86] 52 percent of all household members in Suriname and 55 percent in Trinidad and Tobago were working; 20 percent in Suriname and 12 percent in Trinidad and Tobago were students; housewife was 15 percent in Suriname and nine percent in Trinidad and Tobago. Unemployed was 13 percent in Trinidad and Tobago versus four percent in Suriname (of all household members above 15). When unemployment was calculated over the labour force (employed and unemployed people), the unemployment rate was eight percent and 19 percent for Suriname and Trinidad and Tobago respectively.

[87] Seven percent of total population >15 in Trinidad and Tobago and 14 percent of labour force in 2003 was unemployed (CSO 2004: 4). In the Suriname sample ten percent of labour force and five percent of total population >15 were unemployed (ABS 2005e: 86). In Paramaribo that was nine percent and five percent respectively (ibid.).

housewife) and look for small economic activities on the side. Gender specific unemployment rates over the total population of 15 years of age or older show slight differences, but when calculated over the labour force differences are enormous; 17 percent of women are unemployed and ten percent of men.

Table 4.6 shows the occupational groups of Surinamese and Trinidad and Tobagonian residents, in comparison to our research sample. These occupational groups are categorised according to skills level (see note 5). In comparison with the overall picture of the working population in each country, highly skilled occupational groups and agricultural groups are under-represented. A gender analysis shows that women are more often found working as service workers, clerks, associate professionals and in elementary occupations, whereas males dominate crafts and machine operation.[88]

Table 4:7: Human assets of households by age-dependency structure

		Skill level job		% main workers		% workers		Highest level of education		Productive assets	
		μ	η^2	μ	η^2	μ	η^2	μ	η^2	μ	η^2
Life stage	Expansion	.46	.12**	.37	.18**	.41	.14**	.47	.14**	.43	.21**
	Consolidation	.48		.51		.54		.49		.50	
	Transition	.47		.38		.42		.46		.44	
	Dispersion	.1		.02		.1		.25		.12	

**= significant at 0.01 level; *=significant at 0.05 level; μ= mean score; η^2 (eta squared) is the proportion of total variability attributable to a factor

The age-dependency situation households find themselves in is the major variable explaining variation in the bundle of human assets as well as its individual components (see table 4.7). Each shows the same trend. Households that are consolidated are significantly better off in all categories, whereas households that are dispersed have the smallest package of human assets. Expanding and transitional households have comparable scores. As I described above, this can be logically explained from the fact that one of the distinguishing characteristics of age-dependency conditions is the ability to work.

Financial Assets

The significant differences between Suriname and Trinidad and Tobago in terms of assets are caused by the differences in their scores on financial assets. Trinidad and Tobagonians score higher on this. In particular membership of credit unions was much higher in Trinidad and Tobago. The country has a long tradition and large number of credit unions

[88] Relation between gender and occupational group Cramer's V is 0.40; significant at 0.00.

compared to Suriname.[89] One of the characteristics of Suriname's economic crisis was the strong devaluation of the Suriname guilder between the late 1980s and 2002. This has paralysed traditional formal and informal savings institutions. First of all, saving money in local currency became unattractive because of its fast devaluation. People tried to buy foreign currency or invest in durable consumer goods or in gold. None of the financial institutions catered for these types of savings/investment. In addition, the devaluating local currency led to steep increases in consumer prices, increasing levels of poverty, reduction of savings and a sharp rise of interest rates in local banks. At the time of this survey (2003), Suriname's economy had just started to stabilize. Already in late 2004 (when a second round of interviews with financial institution was conducted), banks and credit unions and local department stores, reported an increase in supply of and demand for saving and credit products targeting lower-income groups. It can therefore be expected that with further stabilization and growth of the local economy, participation in credit unions and kasmoni's will increase. Ethnicity also affects the stock of financial assets. When corrected for country[90], the data show that households of dominant Creole/African descent have larger stocks of financial assets than households of other groups. Kasmoni traditionally was a Creole/African method of saving and has only recently found more support from other, especially Hindustani/Indo-Trinidadian groups (cf. Bijnaar 2002). Moreover, among the latter group family-based lending is more common.

Social Assets

The variation in the size of social assets is accounted for by differences in local social networks. These variations are related to household type and household headship (explaining seven and eight percent of variation respectively). Social relations that contribute on a more or less regular base to households are, for instance, children, partners or friends of one or more household members. These contributions have been described in the literature as an important strategy for females heading single-parent households (cf. Wekker 1994; Kromhout 2000). The findings of this research confirm this, as 37 percent of FHH report having such networks compared to 12 and 20 percent of 2P and MHH respectively. Nuclear

[89] 14 percent of Surinamese households was member of a credit union as compared to 47 percent in Trinidad (eta^2 is 0.14**, Cramer's V 0.38**); 16 percent of households in Suriname were member of a ROSCA as compared to 31 percent in Trinidad and Tobago (eta^2 is 0.03**, Cramer's V 0.18**).

[90] Our sample in Trinidad and Tobago is predominantly of Creole/African descent. In order to assess the role of ethnicity properly, relations between ethnicity and assets have been computed for Surinamese and households separately.

households often have less (13 percent) contributing local social networks than extended (26 percent) or 'other' households (46 percent).[91] As the latter category mostly consists of single elderly people, these social networks entail mainly grown children.

Almost half (48 percent) of the households that receive foreign remittances, obtain these on a regular basis: 'My children send us US$ 100 every other month' whereas the other 52 percent receives remittances on an irregular basis: 'I have an uncle in Holland; sometimes he sends a 'doos' (its meaning is similar to a 'barrel' in Trinidad and Tobago) for us with shoes or clothes, maybe once a year'. The regularity of remittances is related to the 'distance' in generation between the sender and receiver. Partners send remittances most frequently, followed by parents and children. Siblings, aunts and uncles send remittances more irregularly. Thus, the duration of migration and the closeness to household members in terms of generations explain the intensity of remittances.

Productive Assets

Tenure, living space and water have been used as indicators for productive assets. The scores on the overall composite index were mostly shaped by the neighbourhood, size of the household, and the age-dependency structure. The neighbourhood proved important in explaining access and regularity of water and tenure situation. Tenure has been a widely debated issue in literature and security of tenure is seen as a major positive factor for reduction of (urban) vulnerability and improving livelihoods. As becomes clear from table 4.8, home-ownership is large in the areas under research.

Table 4.8: Households and land ownership (in %)

	Land	House
Ownership/leasehold held by member households	31	54
Family property	24	23
Rented	37	23
Squatted	9	-
Total	100	100

These relatively high rates of home- and land-ownership also influence the degree of experienced tenure security. A large majority (91 percent) of households perceive their tenure as secure. Even the majority (76 percent) of households without homeownership considers their tenure secure. Suriname and Trinidad and Tobago show differences in terms of ownership. Households in Suriname more often thought they owned or

[91] Cramer's V is 0.26; significant at 0.00.

had leasehold of their land than in Trinidad and Tobago, where the land of the majority of households was owned by another private party. Ownership of houses on the other hand is more widely spread in Trinidad and Tobago. Access to water is severely constrained in each city. Over a quarter (28 percent) of all households have no access to piped water on their plot. Less than half of all households has a continuous supply of water either directly (39 percent) or through use of a water pump. All others have only water for one or two parts of the day or even the week. Households in Suriname more often have piped water in their homes than those in Trinidad and Tobago. The hilly areas especially, in Mount d'Or and Upper Gonzales, are badly serviced with piped water. Krepi, on the other hand, is relatively well equipped. Yet, the regularity of water supply is better guaranteed in Trinidad and Tobago than in Suriname and in the inner-city areas. The age-dependency structure of households and their size each explain six percent of the scores on productive assets. But, as opposed to the trend in other assets, dispersed households do much better. They more often own their home, have more living space and better access to regular water at home.

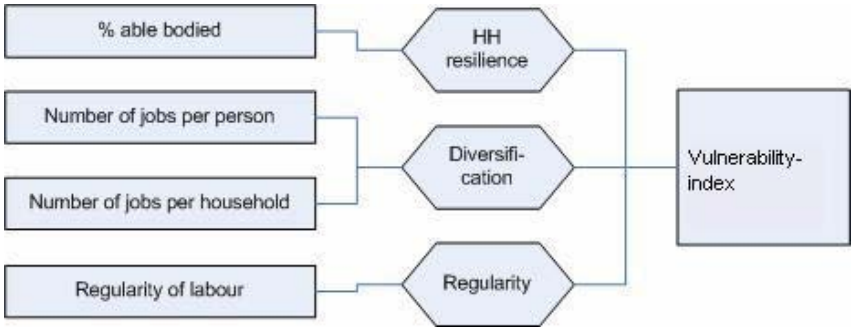
4.4 Vulnerability: A Picture from Low-Income Households in Paramaribo and Port of Spain

People's asset base gives them opportunities to develop livelihood activities that in turn produce outcomes, which enable them to fulfil their needs and demands. In addition, these livelihood activities and assets improve household levels of resilience, hence reduce their vulnerability. This section considers the levels of vulnerability in households and relates these to the various location and household characteristics distinguished above. The developed household vulnerability-index has four components, which are related to the main dimensions of vulnerability: household resilience, diversification and regularity of income. The vulnerability-index represents the average scores of households on these four indicators, meaning that the value of the vulnerability-index is between 0 and 1, with higher values indicating higher levels of resilience and lower levels of vulnerability. Technically, the vulnerability-index is a non-vulnerability-index.

The *percentage of able-bodied* members in the household indicates the ability of households to mobilize extra labour and the percentage of household members that need to be taken care of, both financially as well as otherwise. Lower percentages of able-bodied members indicate lower levels of resilience, thus higher levels of vulnerability. The next two indicators capture the *diversification* of sources of income. The number of jobs per household member represents diversification at the level of

individual household members and the total number of different sources in the households represents the diversification on household level.[92]

Figure 4.3: The vulnerability-index



The households in our survey mostly use more than one of the above sources of income. Only 15 percent depends on one source of income and a substantial fraction of 19 percent mobilizes five or more sources. Others distribute their risks over two (25 percent), three (26 percent) or four (15 percent) sources of income. From the survey we have been able to distinguish the following sources of income.

Paid Labour

Labour is by far the most important livelihood activity for urban people in Port of Spain and Paramaribo. In 80 percent of households at least one person performed paid labour. Moreover, in three-quarters of the households it was the most important source of income and in 22 percent the only source of income. A mean average of 1.7 jobs is carried out in each household. Assessing incomes of labour activities is often difficult and inaccurate. Despite sincere efforts, the survey has not given proper insight into the income derived from paid labour of households. About 26 percent of households with paid labour in the survey were able to provide accurate figures on their income from paid labour. On average they earned US$574 monthly through their labour.

In Trinidad and Tobago, at the time of the study, various government-sponsored labour programmes (notable URP and CEPEP) were implemented. These programmes offer employment to otherwise unemployed people (see chapter 3.4). URP played a role in Mount d'Or where various gangs (including one all female) were active. In Gonzales, two CEPEP gangs were at the time of the research active.

[92] Scores on both these variables are standardized and are between zero and one.

Productive Use of Habitat

The second most often reported source of income for households was productive activities performed from the home environment (HBEAs). Of all the households that were interviewed in the survey, approximately 60 percent use their habitat productively and 39 percent actually earns income using their habitat. The average income derived from HBEAs was US$ 260 monthly, but again these figures are unreliable (see chapter 5.4 for a detailed analysis of HBEA-income). About eight percent of all households reported that income from HBEAs was their most important source of income and another 36 percent of household reported it to be their second most important source of income. For those households operating HBEAs, 20 percent considered that activity the most important one and 54 percent the second most important one.

Remittances and Social Contributions

A significant proportion of households (35 percent) receive remittances from abroad. Approximately half of them collect those regularly. More households in Port of Spain (40 versus 30 percent) receive remittances and also more often on a regular basis than households in Paramaribo. In my opinion, this can be explained from the relation between the migrant and receiving household. Regular remittances are derived from close family members (parents, grown children or a partner) and irregular remittances from family members at further distance, e.g. uncles, nieces, bothers and sisters. In Paramaribo I have not come across households where one partner had migrated and the other one had remained behind or where one parent migrated while (young) children stayed behind. In Port of Spain I have encountered several households where only one of the heads had migrated or where 'barrel-children' resided. This would explain why in Paramaribo less often regular remittances were received. In addition to foreign remittances, 22 percent of households receive a contribution from people outside the household but within Suriname and Trinidad and Tobago.

The number of households that were able to report the income they derived through such remittances was 22 percent. For the others, these varied. Therefore only the relative importance of remittances is discussed here. Remittances were the most important source of income for three percent of households and the second most important source for close to a quarter of households. For 21 percent of the households that received remittances, these were most important, and for 55 percent the second most important source of income. Contributions from others were most important for four percent of households and for ten percent of households in the study. From households receiving support, 23 percent

stated this was their most important source of income. For another 46 percent, it was most important but one.

Social Welfare

Social welfare was a source of income for 34 percent of all households. Social welfare consists mainly of an old age pension. At age 60 in Suriname and 65 in Trinidad and Tobago, people receive state support which was (in 2003) US$ 45 in Suriname and US$ 166 in Trinidad and Tobago on a monthly basis. Other sources of social welfare mentioned were child support, scholarships and general support for low-income groups. However, the size of these forms of social welfare, as well as their prevalence, was marginal. In addition to financial forms of social welfare, individual household members in Suriname have an *onvermogende* or *minvermogende* (less or insufficiently wealthy) card which provides them with (basic) health care. Basic health care through health clinics is also free for Trinidad and Tobagonians. For ten per cent of all households, social welfare was the most important source of income.

The final indicator here relates to the *regularity* of sources of income. Since labour is the most important source of income for most households and data on regularity of these incomes are most reliable, only regularity of job-income is considered here. Absolute income is not used as an indicator because, as often in surveys, I was only able to obtain very accurate data from a small group of households. A first problem was that many sources of income are irregular and therefore difficult to validate. More than half of the working people are either self-employed or working on a non-permanent bases, i.e. in relatively insecure jobs. Second, often respondents did not know what income other members were earning. A permanent job provides more security but should by no means be seen as a job for life since contracts are broken easily and retrenchment operations affect many people with '*permanent*' jobs. At an aggregate level the total average regularity of jobs within the household is used.

Vulnerability and Locational and Household Characteristics

The assets portfolios of households are most strongly related to their age-dependency situation. The vulnerability situation is also most strongly influenced by this. This indicator explains 21 percent of the variation in scores on vulnerability and also affects the scores on its individual components (except for regularity of income, which is not influenced by age-dependency structure).

Table 4.9: Household scores on vulnerability-index by various characteristics

		Total (non)-vulnerability		% Ablebodied		Regularity of jobs		Total number of sources		Jobs per Hh-member	
		μ	η^2	μ	η^2	μ	η^2	μ	η^2	μ	η^2
		.54		.72		.59		.41		.32	
	Suriname	.51	.01*	.70	.00	.60	.00	.39	.01	.46	.02**
Country	Trin.& Tob.	.56		.73		.58		.43		.55	
	Expansion	.46		.57		.58		.25		.48	
	Consolidation	.60	.21**	.82	.26**	.58	.00	.45	.09**	.57	.13**
Age-dependency	Transition	.55		.68		.59		.51		.45	
	Dispers.	.21		.32		.00		.30		.1	
	African	.56		.70		.61		.45		.56	
	East Indian	.51		.76		.58		.32		.46	
Ethnicity	Marron	.52	.03**	.64	.01	.60	.00	.46	.03**	.45	.02*
	Mixed	.52		.71		.54		.44		.47	
	Other	.52		.75		.61		.33		.50	
	Krepi	.52		.74		.57		.37		.47	
	Nieuwweergev.	.51	.01	.67	.01	.63	.0	.41	.01	.44	.0**
Neighbourhood	Gonzales	.55		.71		.57		.44		.52	
	Mt d'Or	.57		.75		.59		.43		.59	
	1-3	.52		.78		.59		.29		.55	
	4-6	.65	.02	.68	.05**	.55	.01	.44	.23**	.49	.02**
Size	7-9	.60		.62		.67		.67		.42	
	10 +	.61		.60		.67		.76		.41	
	Nuclear	.52		.73		.56		.34		.51	
Household type	Extended	.59	.05**	.79	.0	.59	.0	.58	.23**	.51	.0
	Other	.54		.75		.74		.19		.48	
	2-parent	.55		.71		.59		.44		.50	
Household head	FHH	.52	.01	.69	.02**	.57	.0	.43	.04**	.47	.01**
	MHH	.55		.83		.65		.26		.60	
		r^2		r^2		r^2		r^2		r^2	
	Asset profile	.31**		.17**		.0		.20**		.34**	
	Social	.01		.11**		.0		.07**		.04**	
Assets	Financial	.09**		.06**		.0		.06**		.12**	
	Productive	.01		.00		.0		.00		.01**	
	Human	.51**		.07**		.0		.13**		.72**	

**= significant at 0.01 level; *=significant at 0.05 level; μ= mean score; ή² (eta squared) is the proportion of total variability attributable to a factor

Consolidated households are least vulnerable and the dispersed are most vulnerable. Analysing the groups within the age-dependency categories assumes a certain composition of the household, which remains an independent variable in relation to the other indicators of vulnerability. Dispersed households are most vulnerable because they experience disadvantageous dependency ratios, and don't do well in terms of their

livelihood diversification. These households rely mostly on their social networks and on social welfare and are vulnerable to stresses and shocks. Expanding households have few sources of income; hence rely heavily on their labour. Since they have little space of manoeuvre to expand their participation on the labour market, their vulnerability is related to their inability to generate more income through labour (see table 4.9).

None of the other location and household indicators influences the vulnerability-index significantly. The size of the household affects the percentages of able-bodied people within it (larger households have lower percentages of able-bodied people, explaining five percent of variation) and the total sources of income (larger households have more different sources of income). Interestingly, the type of household and whether the household head is male or female does not make much difference. Despite their lower access to the labour market and dependence on others for income, FHH seem to be able to reduce their vulnerability by successfully diversifying their income and investing in skills and education. The size of household shows a mixed picture: the larger the household, the better they are in increasing the number and variety of income sources but not better in realising higher numbers of income-producing household members.

Vulnerability cannot be analysed separately from the asset portfolios households have managed to build up. These explain 31 percent of variation in scores with larger asset stocks resulting in higher levels of resilience. Especially human assets and to a lesser extent financial assets proved relevant, explaining 51 and nine percent respectively. Human assets are related to having a job (hence not independent of each other) but they also affect diversification. The total asset-index explains variations of all vulnerability indicators except for the regularity in labour income. Interestingly financial assets are mostly related to the number of jobs in the household. Yet, more jobs can also enhance use of financial assets. In other words, financial assets are the result rather than prerequisite of vulnerability.

4.5 HBEAs, Assets and Vulnerabilities

Moser (1998) was one of the first to point out the importance of the home in livelihoods of urban poor. Through the development of HBEAs, households generate goods (such as agricultural produce), income or both which they can use to build assets, increase well-being and reduce levels of vulnerability. Above I have already mentioned that after paid labour, HBEAs are the most often mobilized source of income for the sample in this research. The remaining chapters in this book discuss the characteristics and organisation of HBEAs extensively, but here I relate

their existence to the developed asset and vulnerability indices. Table 4.10 shows the score of households with and without such HBEAs.

The data shows that households with HBEAs and especially with income-generating HBEAs do better than households without such activities, in terms of their asset base but especially with regard to their vulnerability. Having income-generating HBEAs explains 22 percent variation in vulnerability. Households that operate income-generating HBEAs are better prepared against adverse shocks and trends because they generally have better access to financial institutions (i.e. ROSCA's and credit unions), higher levels of education and more sources of income.

Table 4.10: Household scores on asset- and vulnerability-index by productive use habitat

		Asset-index		Human assets		Financial assets		Social assets		Productive assets	
		μ	η^2	μ	η^2	μ	η^2	μ	η^2	μ	η^2
		.41		.45		.27		.23		.65	
HBEA	Yes	.43	.02**	.47	.01*	.30	.01*	.25	.00	.63	.00
	No	.39		.42		.23		.21		.66	
Income-generating HBEA	Yes	.46	.08**	.52	.08**	.25	.03**	.25	.00	.65	.00
	No	.38		.41		.22		.23		.64	

		Total (non)-vulnerability		% Able bodied		Regularity of jobs		Total no. of sources		Jobs/ Hh-member	
		μ	η^2	μ	η^2	μ	η^2	μ	η^2	μ	η^2
		.58		.72		.59		.54		.32	
HBEA	Yes	.60	.10**	.73	.00	.67	.06**	.50	.17**	.55	.03**
	No	.45		.70		.46		.29		.44	
Income-generating HBEA	Yes	.67	.22**	.74	.00	.73	.10**	.56	.23**	.65	.13**
	No.	.46		.70		.48		.32		.41	

**= significant at 0.01 level; *=significant at 0.05 level; μ= mean score; ή² (eta squared) is the proportion of total variability attributable to a factor

Table 4.11 shows that slight (and not representative) differences exist between households that do and do not operate an HBEA concerning the types of sources of income. This means that HBEAs are not necessarily replacing another type of income source, but rather are an additional source of income.

Table 4.11: Types of income sources used by households with and without HBEA (in %)

Source of income	Income-generating HBEA	No Income-generating HBEA	Total
Paid labour outside home	81	80	81 (n=314)
Remittances regularly	20	17	18 (n=69)
Remittances irregularly	20	15	17 (n=64)
Social welfare	32	36	33 (n=133)
Contributions others not living in household	20	23	22 (n=84)

Table 4.12 further confirms this. It shows the number of sources on which households with and without income-generating HBEAs rely. The mean for households without HBEAs is 2.6 and for households with HBEAs 4.0. This finding confirms that households do not operate HBEAs instead of another source of income but as an *additional* source of income. In addition, the table shows that habitat-related activities are the only source of income for five percent of the households.

Table 4.12 Number of income sources used by households with and without HBEA (in %)

	HBEA	No HBEA	Total
1	5	21	15
2	13	32	25
3	28	25	26
4	19	13	15
5 or more	35	9	19
Total	39 (n=153)	61 (n=238)	100 (n=391; missing is 2)

Gamma is -0.57; significant at 0.00; Cramer's V is 0.41; significant at 0.00

4.6 Conclusions

This chapter portrayed the assets and vulnerabilities of households in four low-income areas in Port of Spain and Paramaribo. It relates these to location and household characteristics, and where data allowed, differentiates it according to gender. The first remarkable conclusion is that despite the substantial differences in economic performance between the countries, the size and composition of assets and vulnerabilities among households barely differ between countries. This means that the recent positive macro-level developments in Trinidad and Tobago have not yet structurally changed the assets and vulnerabilities at the micro-level of households in low-income areas. This confirms my experiences in the Port of Spain neighbourhoods where people replied to my questions on what they noticed of the 'oil boom', with remarks such as 'I don't see no oil money around here.' Some acknowledge the existence and temporal support of projects such as URP or CEPEP but claimed that they saw no structural improvements. Structural characteristics of the economy such as a lack of (permanent) low-skilled employment, and of poverty, e.g. poor

housing and low levels of education, have not changed as result of recent economic developments.

Second, the age-dependency structure of the household best explains diversity in scores on the asset and vulnerability-index. Households in a situation of consolidation have the best position. These are followed by transitional households. The two groups of expanding, but especially dispersed households have smaller asset bases and are much more vulnerable than others. However, one needs to go beyond these overall index-scores to realise what the specific strengths and weaknesses of each group are. Expanding households rely on their human assets but since their opportunities to extend labour market participation are small, they are vulnerable to sudden economic changes. Consolidated and transitional households have large stocks of assets (except for productive assets) and can cushion themselves against shocks and stresses. Dispersed households lack human assets and income-generating opportunities and rely heavily on social assets. The small percentage of the households in the sample indicates that households may develop strategies to avoid having this type of household. For example, one strategy is the incorporation of these elder generations into extended households.

Scores on the total asset or vulnerability-index do not say much about scores on the specific aspects within the index. Furthermore, these overall scores disguise deliberate strategies by households to compensate for a weak asset. Consequently, the overall scores of households can be used to distinguish between various categories of households. Yet, to assess characteristics of subgroups, the specific aspects need to be considered in more detail.

A final conclusion to be drawn from the data in this chapter is that households that operate HBEAs are much less vulnerable than those without one. They also have a larger asset base but this seems less important. HBEAs contribute to household diversification; such households have large bundles of human and financial assets, more jobs in the household and more regular jobs. Yet, the mechanism behind it is complex and not one-directional. The question is whether HBEAs are a cause or result of larger asset bases and less vulnerability? In other words: do better-off households operate HBEAs, do HBEAs make households better-off, or maybe both? The quantitative data I have used for the analysis does not give any conclusive evidence on this, but points in both directions. The fact that HBEA-operating households do participate more in ROSCA's and credit unions, for example, may be the result from HBEAs more than a necessary prerequisite. This idea is supported by qualitative data from interviews with HBEA-operators that showed how they were not using financial institutions to start HBEAs but started to

use these after they developed an HBEA. Moreover, their motivation to start HBEAs was often based on their wish to be able to save money. On the other hand, starting and maintaining an HBEA is facilitated and secured by the back-up of other regular sources of income. This means that households with already higher levels of assets and security start HBEAs and are better able to 'get them going'.

A final remark is that although location and household characteristics, asset and vulnerability indices are related to each other in multiple ways, there is much variation in livelihood scores which cannot be explained through such variables. Hence the role of institutions, family background and individual preferences and characteristics, such as gender, ambition and health should not be overlooked.

Bamboo craft. Mount d'Or, Trinidad and Tobago

Tire Repair and Juice Workshop, Krepi, Suriname

Parlour in Mount D'Or, Trinidad and Tobago

No Credit! Parlour in Gonzales, Trinidad and Tobago

Jewellery maker in Krepi, Suriname

5

HOME-BASED ECONOMIC ACTIVITIES

DIVERSITY, MOTIVATION AND ROLE IN LIVELIHOODS

'A house is a production place, market place, entertainment centre, financial institution and also a retreat. A low-come neighbourhood is the same, only more so' (Kellett and Tipple 2000:204).

The previous chapter demonstrated that home-based economic activities (HBEAs) are a frequently used livelihood activity for low-income urban households in Paramaribo and Port of Spain. What's more, a positive relationship exists between operating HBEAs and stocks of assets and resilience of households. This chapter takes an in-depth look into HBEAs and addresses various questions around two central issues.

The first set of questions relates to the prevalence and shape of HBEAs. What is the incidence of HBEAs in Port of Spain and Paramaribo and what types of activities are carried out? A prime question is what households operate HBEAs and where?

In chapter four we saw that issues of vulnerability and assets are closely related to the age-dependency structure of households. Here, an assessment is made on whether this structure is also related to prevalence of HBEAs. In addition, the effects of geographical, i.e. country, and spatial factors, i.e. relative distance of neighbourhoods to the city centre and of houses to the main road, are taken into consideration. Another question is who within the households perform *huisvlijt* or *cottage industries* (local terms)? Is it women, men or both? And, what specific kinds of activities do they do, and is that picture different from studies in other locations?

The second set of questions concern the function of HBEAs in livelihoods. What motivates people to start and maintain an HBEA? What are the tangible and non-tangible benefits from such activities? What is their relative impact on livelihoods of the households involved? What goal do they serve in the overall livelihoods of the household? Can households accomplish an improvement in their livelihoods as a result of HBEAs? And what household- and individual characteristics can explain differences between groups? The analysis is mostly limited to income-generating HBEAs but where subsistence HBEAs are meant, this will be stated.[93]

5.1 HBEAs, Prevalence, Diversity and Livelihoods: What Do We Know?

HBEAs are by no means a new phenomenon. Working from the home was the norm in pre-industrial times. This changed with industrialisation, particularly in the 20th Century, when a division of the public (male) and private (female) domain, and of work and living locations became the norm. Still, in many locations worldwide, housing environments are characterised by a mixture of functions. It is therefore surprising that literature on HBEAs is scarce. To the extent it exists, the Caribbean is not included. An exception is the study by Dodman (2007) on metal smelting in a low-income community in Kingston, Jamaica. Literature used for this section derives from studies in Ghana (cf. Sinai 1998; Afrane 2000), Egypt (El-Sheikh 2001), Zambia (Kellett *et al* 2000), South Africa (Ligthelm 2005), Bangladesh (Ghafur 2000; 2002; Mahmud 2003), India (Bose 2000), Colombia (Gilbert 1988) and Peru (Strassman 1987). An important study is a DFID-sponsored study on home-based enterprises (HBEs) in Cochabamba (Bolivia), New Delhi (India), Pretoria (South-Africa) and Surabaya (Indonesia). Several articles are based on the data collected in that study (cf. Tipple 2004; 2005b; 2006; Kellett 2000; Gough *et al* 2003; Kellett and Tipple 2000; and Kellet *et al* 2000).

Prevalence and diversity

Estimates on the prevalence of HBEAs in different geographical locations vary considerably. The low estimates claim that between ten to 25 percent of urban households operate an HBEA (Strassman 1987:127; Sinai 1998:419; El-Sheikh 2000:111; Kellett 2000:198). At the high extreme, we find 77 percent of households involved (Chen 1999 in Tipple 2005b:615) and in between a third (Gough *et al* 2003:258) to half (Ghafur 2000:128).

[93] The first section of the chapter is based on questionnaire data (n=393) and the second section on the in-depth interviews (n=80 households and n=100 HBEAs).

Scores depend, among others, on the geographical areas into consideration (i.e. centre cities, low-income areas or unplanned settlements). HBEAs are acknowledged as an important part of informal sector activities. Yet, little data is accessible on the fraction of the informal sector that consists of HBEAs but Tipple (2005b), based on data from four locations estimates between 46 and 67 per cent of all informal sector enterprises are home-based.

Urban households operate a large variety of HBEAs from their home or in their yard (Afrane 2000; Kellett and Tipple 2000). They may grow vegetables, prepare food or manufacture goods that they sell from the house, to shops, on markets or on the street. Some are shopkeepers, work as traditional healers or repair household appliances and cars. Others provide personal services, such as hairdressing, shoe shining and day-care services. A final group rents out space to others (Sinai 1998; Gough *et al* 2003:261). In studies that covered areas in Ghana, Indonesia, Bolivia, South-Africa and Columbia, retail and food production appeared to be the most important forms of HBEA (Gilbert 1988:24; Tipple 2005b:616).

Most typologies used to classify HBEAs focus on the type of product people are involved in. Sinai (1998:420), based on research in Ghana, distinguishes between preparing food at home to sell in the house and outside the house, manufacturing something else than food, operating a shop, repairing things, services for pay, raising livestock or growing fruit, storage, and renting rooms. Tipple (2005b:617) distinguishes between sale of groceries, sale of food and drinks, sale of alcoholic drinks, manufacturing of clothes, craft, food/drink processing, furniture/woodwork/upholstery, repairs to cars, bicycles, machinery, appliances, and hiring equipment. In Bangladesh, Ghafur (2000:129) distinguishes between production, sales and services. This classification is similar to Lloyd-Evans and Potter's (2002:76-77) study on the informal sector in Trinidad and Tobago. This study uses Ghafur's typology and distinguishes between retailing (of processed food, commodities and unprocessed food), small-scale production (food and fresh produce, petty commodity and specialised production), and service-oriented activities (daily and specialised service).

A few studies pay attention to issues of relative location and tenure. Smaller and poorer cities tend to attract more HBEAs than larger or wealthier cities (Strassman 1987:127). Within cities, variations between areas exist but opinions on where most can be found vary. In Ghana for example only slightly more HBEAs were found in the urban periphery than in the centre of the city (Sinai 1998:424-426). Tipple (2005b:615) on the other hand shows for areas in South-Africa, Indonesia and India that peripheral locations attract significantly more HBEAs than central

locations. He relates it to poverty and states that low-income environments attract more HBEAs. HBEAs in more wealthy areas provide more sophisticated products and produce higher income but are less frequently encountered (Strassman 1987; Cross *et al* 2001 in Tipple 2005b:616). Older, consolidated and formalised areas with more accessible infrastructure give rise to a higher incidence of HBEAs (Kellett 2000:198). Also the structure of the neighbourhoods can make a difference. Ghafur (2002:43) distinguishes between cluster-contained, cluster-contiguous and linear settlement patterns. He finds fewer HBEAs in the cluster-contained areas.[94] Furthermore, HBEA prevalence and character differ according to characteristics of neighbourhoods, households and individuals. In Bangladesh Ghafur (2000) found that more home-owners than non-owners had an HBEA, but Sinai (1998), also in Bangladesh, did not find a difference. In this study, tenure, location of the home in the neighbourhood and the neighbourhood vis-à-vis the city centre are considered.

HBEAs and Household Diversity

Studies concerning characteristics of HBEAs have largely neglected household diversity, except for the difference between male and female headship (cf. Sinai 1998). As a result, little data is available on the opportunities and constraints faced by different types of households in realising the productive use of their habitat. Based on the findings of chapter four, the age-dependency structure of the household could be expected to affect HBEAs (Gonzáles de la Rocha 1994; Chant and Campling 1997; Kromhout 2000). On the one hand, one would expect more HBEAs among households in vulnerable (i.e. expanding or dispersed) stages, but on the other hand, the question is whether households in states of consolidation and transition provide some financial space, time and safety nets for people wanting to start HBEAs.

HBEA-Operators: A Women's World

Considerable attention has been paid to the participation of women in HBEAs (Mahmud 2003:321). Many women in developing countries have triple roles. They need to combine reproductive, productive and social/community activities, resulting in extremely long working days (Kabeer 1994). The possibility of undertaking income-generating tasks from home enhances opportunities for a successful combination of these multiple roles, or, in the case of home-bound women, to carry out income-generating activities at all (Moser 1998; Afrane 2000; Gough *et al*

[94] In a cluster-contained pattern, residential areas beyond the main road develop along side streets (Ghafur 2002:44). The lay-out of Nieuwweergevondenweg resembles this pattern.

2003:266; Mahmud 2003). This view is supported by various studies that revealed that female headed households (FHH) are overrepresented among households operating HBEAs (Sinai 1998) and that 80 per cent of woman's micro-enterprises in the Dominican Republic and Ecuador are operated from the house (Magill *et al* 1991 and Cely 1993 in Blumberg 2001:274). Furthermore, Gough *et al* (2003:262) report that around three-quarters of HBEAs in Ghana and South Africa are operated by women. A study of HBEAs in Dhaka found that women are especially dominant in food and garment production (Mahmud 2003:324).

Women have their own set of motivations for operating HBEAs. They more often value the convenience of home-working, a need to make a living and a strive for independence. Men, on the other hand, strived to be independent (Afrane 2000; Blumberg 2001:278). Women also tend to spend money differently (more for daily necessities) than men (Blumberg 2001). For women especially the social rewards of HBEAs are large. This generally positive, choice-based perspective on women's dominance in HBEAs needs some qualification. Women's options are shaped by role identities that are governed by gender norms that change over the course of their lives (Kabeer 1994; Bose 2000; Kabeer 2000). Women's participation in HBEAs is not just a matter of free choice between viable alternatives, since for many women their only option to earn an income is through engaging in home-based work. They lack access to other segments of the formal and informal labour market (Blumberg 2001). In the government sector, for instance, women often have access to fewer blue collar jobs than men. Men can engage as handymen, messengers, garbage collectors, drivers et cetera. Yet, for women, the only opportunities within this sector are as cleaners, cooks and maybe road side workers. Moreover, within HBEAs, women work in the least competitive, profitable and status-enhancing jobs (Strassman 1987:132). Bose (2000:71) states it as follows:

> 'the menial low-paying home-centred work that women from low-income groups engage in does not provide sufficient economic, social or emotional rewards for them….Women from low-income groups find it easier to engage in home-based work for societal and practical reasons. However the types of home-based jobs available to most low-income women are menial, labour intensive and not status enhancing. They are jobs that men do not want to engage in.'

HBEAs and Livelihoods

When discussing the importance of HBEAs in livelihoods, a first indicator would be the motivation of operators to start an HBEA. Apart from the studies mentioned above on male-female motivations, little data is available. Most interesting is Ligthelm's (2005) distinction between

opportunity- and necessity-motivated operators. He argues that most operators start activities out of necessity and this may affect the type of business operation. In this study a related division is made between livelihoods- and business-oriented operators (see 5.3). In this regard, the text box 5.1 below reflects interesting characteristics.

Textbox 5.1: Traits of entrepreneurs

John G. Burch (*Business Horizons*, September 1986) lists traits typical of entrepreneurs:

- A desire to achieve: The push to conquer problems, and give birth to a successful venture.
- Desire to work for themselves: Entrepreneurs like to work for themselves rather than working for an organization or any other individual.
- Nurturing quality: Willing to take charge of, and watch over a venture until it can stand alone.
- Reward orientation: Desire to achieve, work hard, and take responsibility, but also with a commensurate desire to be rewarded handsomely for their efforts; rewards can be in forms other than money, such as recognition and respect.
- Optimism: Live by the philosophy that this is the best of times, and that anything is possible.
- Profit orientation: Want to make a profit; but the profit serves primarily as a meter to gauge their success and achievement
- Entrepreneurs take risks

Various studies on HBEAs have tried to assess the size of incomes from HBEAs and what they mean for the involved households. Despite the general acknowledgement in these studies that reliable income data, especially from small, informal entrepreneurs are hard to acquire, rather precise data are often presented. Tipple (2005b:623) for example states that households without an HBEA earn 75 percent of what households with such activities earn. Other studies claim that incomes improve with between ten (Strassman 1987:127), 22 (Moser 1998) to 30 (Tipple 2004) percent after starting an HBEA. Sinai (1998) is the only scholar claiming that incomes in HBEA- households are lower than those in other households.

The size of the income generated through HBEAs in a study in Ghana is considered similar to that earned in the lower brackets of the government, but its skewed distribution means that median incomes are often much lower than mean incomes (Gough *et al* 2003; Tipple 2005:623). The analysis of Strassman (1987:129-131) shows that incomes of individual workers, especially women, are half of what they could earn for full-time employment outside the home. Information on the relative importance of HBEAs in livelihoods is scarce, but indicates that HBEAs contribute 60 to 70 percent of household incomes (Ghafur 2000; Kellett and Tipple 2000; Gough *et al* 2003:264). Some studies do assess the feasibility of HBEAs themselves and state that few have the possibility to grow beyond

subsistence level and have little chance to become the main income provider (Gilbert 1988:25; Kellett *et al* 2000:216).

Three problems are related to the data presented above. First of all, they are generally (also acknowledged by the authors of the mentioned studies) unreliable (Tipple 2006:172). Proper bookkeeping among operators is scarce, household and enterprise budgets are mixed and HBEA-incomes are generally irregular. Second, data such as these cannot show whether higher or lower household incomes are the result of HBEAs or the start situation. Longitudinal studies have not been conducted and unfortunately this study is no exception. Still, it is necessary to find ways to discuss the linkages between HBEA and livelihood changes. The third, related issue is that these data do not reflect the meaning of HBEAs for the livelihood opportunities experienced within the involved households.

The meaning of HBEAs for the livelihoods of urban households cannot be measured sufficiently by its percentage contribution (either in money or goods) to household income, as it does not touch upon issues of distribution (what the money is spent on) and mechanisms structuring this distribution. Furthermore, it does not say anything about the goals the income serves. Such issues are largely ignored in literature regarding economic use of habitat. An exception is Ghafur (2000:126) who approaches the discussion on HBEAs and livelihoods from an entitlements perspective, 'going beyond the usually accepted positive outcomes of HBEAs like "increase in household income, home improvements or contribution to GDP" as ends of development'. He distinguishes three types of households based on the livelihood opportunities HBEAs provide. Subsistence households generate income from their HBEA below the hard-core poverty line and spend the money largely on food. Possible savings are meant to ensure survival during unfavourable times. Marginally-improved households, generate average monthly incomes on or just above the poverty-line. They spend a little on education, health and shelter maintenance. The petty-capitalist households have average monthly incomes well above the poverty line. Most households within Ghafur's research group belong to the first category. A study by Post (1996) in the Sudan, however, shows that small enterprises are able to grow, mainly through diversification of their activity portfolio. Both scholars take an approach similar to that of Grown and Sebstad (1989:941-942) who claim livelihood goals of women to be survival, security and growth and relate people's business behaviour to their goals. These findings though do not provide insight into relations between non-HBEA income and HBEA-incomes in the Caribbean.

5.2 Habitat as a Productive Asset in Port of Spain and Paramaribo

Prevalence and Variety of HBEAs

The survey that was conducted in the four selected neighbourhoods asked residents whether they performed any economic activity from their home or on their plot. A distinction was made between agricultural activities, production, sales/retail, and provision of services. The inventory revealed that 233 (59 percent) of the 393 households in the sample performed some kind of productive activity. A total of 153 (39 percent) households actually earned money with these activities. Both countries show a similar prevalence of activities: 61 percent of the households in Port of Spain and 58 percent of those in Paramaribo perform some kind of economic activity on their plot. Slightly (but not significantly) more households in Port of Spain (41 percent) than in Paramaribo (37 percent) earn money with these activities. Hence, again, the two cities are similar. The difference between the incidence of HBEAs in general and *income-generating* HBEAs is due to agricultural activities, i.e. cultivation of vegetables and keeping poultry. Often, these activities contribute directly to household consumption. Their role is one of reduction of consumption expenditures rather than income generation. Income-generating activities are the core of our analysis but where relevant we touch upon non-income-generating activities.

The questionnaire asked people how long their HBEA had been in operation. A fifth did not answer that question but of the remainder, 38 percent stated longer than ten years. A similar fraction of operators reported between one and ten years. Less than a fifth (18 percent) had only been doing their activity for a year or less, and seven percent was operating their activity intermittently. These findings indicate that when activities survive a first year, they are likely to continue to exist.

HBEAs are often operated by one person and most provide standard products and services. Yet, the range of activities is large. The HBEA-sector involves women who produce and sell popsicles (*ijsje* or *suck-a-bag*) and pickled fruits (known as *zuurgoed, preservatives* or *chau*) as well as boys and girls who barber, braid hair or manicure. One will find tailors and seamstresses who sew everything from sheets and ladies underwear to school uniforms, office suits, and extravagant carnival costumes. Tucked away in one of the neighbourhoods, a man makes lamp holders from bamboo. There are transport and plumbing companies with home-based offices and storage facilities. People make traditional snacks such as biscuits, *tamarind balls*, plantain chips, *fiado*, sugar cake, *pholorie* and cheese pies, and sell them to children heading to and from school, colleagues in

the office or to wholesale shops. Others cook meals on order, make *doubles*, cater for wedding receptions or organize a barbeque or bake-and-fish sale in the weekend. There are small outlets that open after school and sell only snacks and soft drinks, a book and video store, and small parlours and sizeable grocery stores that sell everything the community needs at any time of the day, any day of the week. Handymen repair cars, TVs and computers, and women run childcare centres. Despite the large variety, the activities can be categorised under a few main headings. Table 5.1 gives an indication of the relative and absolute number of households in the survey that operate a specific income-generating and consumption reducing HBEA.

Table 5.1: Types of HBEA by country (in %)[95]

	Suriname	Trinidad & Tobago	Total
Cultivation of fruits (e.g. mango or avocado) and vegetables (e.g. leafy vegetables, tomato, cassava, pepper, fresh herbs)	26	34	30 (n=119)
Minding of animals (chicken, ducks and goose)	23	12	17 (n=68)
Renting out of space (room/section or additional house)	5	6	6 (n=22)
Production of goods (snacks, meals, garment, jewellery)	20	26	23 (n=92)
Retail (home-made food, groceries, drinks, clothes)	15	12	14 (n=54)
Sale of services (hairdressing/barbering, repair of electrical appliances, car mechanics, childcare, management agency, teaching, craft)	15	21	18 (n=70)

Analysing Income-Generating HBEAs

In chapter four, we saw that the assets and vulnerabilities of households were statistically related to location and household characteristics. A same approach is taken here and prevalence of HBEAs (including non-income-generating activities) is associated to the same household and location characteristics. In addition characteristics of the habitat and the HBEA-operator are considered.

Spatial Characteristics

For income-generating activities there is no difference between neighbourhoods in the inner-city or on the edges of the city. Hence, the expectation that the relative proximity of the urban centre with competing facilities would result in fewer inner-city-area HBEAs, was not confirmed. An explanation for this can be found in the type of HBEAs encountered in the inner-city neighbourhoods. Most HBEAs provide goods or services that are typically consumed at neighbourhood level, such as snacks or

[95] Some households carry out more than one activity. These activities may be in different sectors explaining why the total percentage of households with HBEAs in this table is more than 100.

basic groceries or that are much cheaper outside the immediate commercial city centre (such as seamstresses or car mechanics).

In addition to the relative location of the neighbourhood, spatial characteristics of the habitat of households are considered: the quality of people's house and land, and the exact location within the neighbourhood (including its accessibility). The statistics reveal that the size of the land positively affects the prevalence of income-generating HBEAs.[96] Furthermore, the material the house is made of correlates with the incidence of HBEAs: people having concrete or combined wooden/concrete houses more often operate a HBEA than people in wooden houses.[97] These relations indicate the importance of spatial qualities and suggest that households that are slightly better-off in terms of the physical conditions of their house and plot are more likely to develop income-generating HBEAs. It should be noted, however, that these better physical conditions can be the result of HBEAs as well. I will return to this in 5.4. Surprisingly, issues of home-ownership or tenure did not affect the prevalence of HBEAs. An explanation is that perceived tenure security is very high in all communities of the study and that this variable therefore cannot explain much.

Another aspect for consideration is the location within the neighbourhood. Possibilities for productive use of habitat are not only determined by availability of house and plot but also by their relative location. A house located on an inaccessible steep hill provides good opportunities for an HBEA that does not require visits from customers, such as a delivery service, whereas it is not suitable for HBEAs, such as shops that depend on people passing by. A restaurant might do well along the busy, main road, while it might die in a little quiet street in the back. Factories or agents will stock shops along tarred or paved roads while shopkeepers along a dirt road need to get their products themselves. The statistical analyses do not reveal a higher incidence of HBEAs along main roads nor of a specific type of activity. However, a GIS-analysis conducted did reveal that HBEAs along main roads are of another type and generate more income. Moreover, HBEAs along main roads are more often obeying to formal rules and regulations (Verrest and Post 2007).[98]

[96] Gamma is 0.31; significant at 0.00.
[97] Cramer's V is 0.18; significant at 0.01.
[98] This analysis is described extensively in Verrest and Post (2007).

Household Characteristics

The relationship between household characteristics and prevalence of HBEAs and specific types of activities was analysed as well. The prevalence of HBEAs was only related to the size of the household and the age-dependency structure.[99] Larger households more often operate HBEAs and the age-dependency structure within household matters. Consolidated and transitional households more often, 43 percent of both, operate income-generating HBEAs than expanding, 33 percent, and dispersed, eight percent, households. Similarly, small-scale production is related to the household size, household type and the age-dependency structure.[100] As was shown in chapter four, households in situations of expansion and dispersion are economically under most stress because the relationship between caretakers and receivers, as well as income producers and consumers, is uneven (Gonzáles de la Rocha 1994). Following the literature suggesting that HBEAs provide excellent opportunities (especially for women) to combine productive and reproductive tasks, one would expect an overrepresentation of HBEAs in households undergoing situations of expansion and dispersion. This is because the combination of these tasks places them under the most stress. Furthermore, HBEAs are often expected to be relevant to vulnerable households with few other alternatives.

The data from the survey suggests the exact opposite, as households in a less stressful age-dependency situation more frequently operate HBEAs. The relation between age-dependency structure and general vulnerability on the one hand and the prevalence of HBEAs on the other, raises questions regarding the role of the activities in the livelihoods of the involved households, as well as the way they organise these. For example, HBEA-operators from larger households may have better opportunities to keep operating their activity. This would explain the higher incidence of HBEAs among larger households. Furthermore, households where other incomes are present may be able to make larger investments in their HBEAs and take time to nurture their activity. Other operators, in households with many dependents, may organise HBEAs in such way as to combine it optimally with care-activities. Households which lack other

[99] The prevalence of income-generating HBEAs is related to household size: gamma is 0.23; significant at 0.01; to the age-dependency structure, Cramer's V is 0.18; significant at 0.01.

[100] Production-oriented activities are related to the neighbourhood (least in Krepi: Cramer's V is 0.14; significant at 0.05), size of the household (more in larger households: gamma 0.41; significant at 0.00), type of household (more in extended households: Cramer's V is 0.13; significant at 0.03) and household age-dependency structure (more in consolidated and transitional households: Cramer's V is 0.15; significant at 0.04).

sources of reliable income may aim at a risk-free, regular extra line of income and organise their HBEA to this need. This will be further discussed in section 5.3.

Interestingly, the statistical analysis has not found differences in the incidence of HBEAs that are related to the sex of the head of the household or ethnic groups. FHHs operate an HBEA just as often as MHHs or 2-parent households. Neither did I find any difference between sex of the head and the type of activity that is being performed. The analysis of the incidence of HBEAs according to ethnicity is limited to Paramaribo. Here, no differences are found according to ethnic group with the exception of the incidence of production-oriented HBEAs. Households with a dominant Creole/African background performed such activities more often.[101] This means that HBEAs are a common feature throughout households in low-income areas.

Individual Characteristics: Women and HBEAs

Women are more active in the HBEA-sector than men. More than half (56 percent) of all encountered activities are operated only by women and 63 percent of income-generating activities. Furthermore, women are involved in as many as 70 percent of HBEAs and 75 percent of income-generating HBEAs. Table 5.2 gives an overview of the involvement of women in income-generating HBEAs. Thirty percent of HBEAs and a quarter of income-generating HBEAs are operated by men only. Women are the majority of HBEA-operators in all but the service sector, where men, active as car mechanics and repairmen of electrical appliances prevail.

Retail and food production are especially women's domains. The gender findings in this study correspond with findings of other studies that also acknowledge larger percentages of women in HBEAs. These studies argue that HBEAs provide good options for women who need to balance their time in order to combine productive and reproductive tasks. However, it should be stressed that lack of access to formal employment or jobs with adequate pay is another reason for their larger involvement in productive home-based activities. The high unemployment rates of women demonstrated in the previous chapter confirm this.

[101] Cramer's V is 0.23; significant at 0.00.

Table 5.2: Sex of the HBEA-operator by country & type of HBEA (in %)

	Suriname				Trinidad and Tobago			
Sector	Women	Men	Both	Total	Women	Men	Both	Total
Production	*74*	*10*	*15*	*100 (n=39)*	*77*	*15*	*8*	*100 (n=53)*
Food	74	7	17	79	83	7	10	57
Garment	80	20	0	13	75	19	6	30
Crafts	50	1	0	5	50	50	0	11
Other	100	0	0	3	100	0	0	2
Retail	*69*	*3*	*28*	*100 (n=29)*	*60*	*16*	*24*	*100 (n=25)*
Groceries	57	0	43	24	70	20	10	40
Snacks and drinks	67	0	33	31	60	0	20	20
Home-made meals	67	0	33	21	100	0	0	4
Agricultural prod.	100	0	0	17	0	0	100	8
Clothes	100	0	0	3	50	50	0	8
Other	0	100	0	3	60	20	20	20
Services	*21*	*75*	*4*	*100 (n=28)*	*57*	*41*	*2*	*100 (n=42)*
Childcare	75	0	25	14	100	0	0	5
Personal care	33	67	0	11	84	16	0	60
Car maintenance	0	100	0	43	0	100	0	5
Repair appliances	0	100	0	21	0	100	0	12
service agency	50	50	0	7	0	80	20	12
Teaching	100	0	0	4	50	50	0	5
Other	0	0	0	0	0	100	0	3
Total	56 n=55	27 n=26	16 n=15	96	67 n=80	24 n=29	9 n=11	120

Non-Income-Generating HBEAs

The main interest of this study is income-generating HBEAs, but I briefly consider the most important relations between various characteristics and having an HBEA (including non-income-generating). Overall, HBEAs are more prevalent in households living in the urban fringes, i.e. Nieuwweergevondenweg and Mount d'Or.[102] The higher prevalence of HBEAs in the urban fringes is caused by agricultural activities, i.e. planting and animal minding. The difference is partly related to the slightly larger plots in the neighbourhoods located in the urban fringes. However, even within groups of plots of the same size, households of inner-city neighbourhoods less often cultivate their land or keep fowl. The difference is better explained by the semi-rural character of the neighbourhoods far away from the city centre as well as the rural background of most of its residents. Home-ownership affected the prevalence of agriculture-related HBEAs but not the other types of

[102] Gamma is 0.44; significant at 0.00.

HBEAs.[103] In addition, minding animals is related to a range of household and spatial characteristics.[104]

Motivations for HBEA-Operators

The motivation and ambitions of people may very well affect the role of HBEAs in their livelihoods, as well as the way in which activities are organised (see for instance Ligthelm 2005; Portes and Itzigsohn 1997). For example, someone with a desire to earn some extra cash may be reluctant to make large investments or start activities that take some time before yielding income. Those with the ambition to have their own flourishing business, on the other hand, may look for investment and new products all the time. Information on people's motivations for starting HBEAs was collected through an open-ended question in the survey. Hence, a range of possible motivations were collected:

> 'It is a hobby', 'I like the exercise', 'cause I needed the money', 'people around asked me to do it', 'to have something for a rainy day', 'my friend asked me to take over from her, 'I wanted to be independent from a boss.'

These can be subsumed under a few categories: a) the ambition to sustain or expand a hobby; b) the urge to earn money or save on expenses; and c) a desire to be entrepreneur, operate a business and make a living in such a way. The motivation to exploit income-generating HBEAs varies according to the type of activity. People start small-scale production because they needed the money, 55 percent, or because they want to expand a hobby, i.e. 27 percent. Others, 17 percent motivate their ambition by the fact that they wanted their own business. In the retail sector, economic motivation, 55 percent, prevails over hobby, 11 percent or the ambition to start a business, 27 percent. In the service sector, however, ambitions were much more related to hobby, 59 percent, followed by an ambition to start their own business, i.e. 29 percent. Agricultural activities finally, are started from a combination of economic as well as social or health reasons. Carrying out a hobby is the main reason for 42 percent of people planting and 48 percent of those minding animals. Well over a third wants to save money or earn money with their activity. The remaining group follows a tradition or claims that home-produced food is healthier. No statistical relationships were found

[103] Relation between home-ownership and animal minding: Cramer's V is 0.13; significant at 0.03; and between home-ownership and planting: Cramer's V is 0.21; significant at 0.00.

[104] Minding of animals is related to the neighbourhood (more in Suriname: gamma is 0.38; significant at 0.00; and more in urban fringes: gamma is 0.36; significant at 0.00), household type (more in extended households: Cramer's V is 0.13; significant at 0.03), age-dependency structure (more in transition households: Cramer's V is 0.19; significant at 0.03).

between people's motivations to start an HBEA and the sex of the operator, characteristics of the household or its geographical location.

In the survey, people without HBEAs were asked if they had considered developing such an activity or had had one in the past. Furthermore, reasons for not or no longer operating HBEAs were asked. Almost a quarter of households without an HBEA in small-scale production sector, used to have one and 15 percent have considered starting one. The main reasons why people do not operate such activities are a lack of time, 20 percent, and interest (28 percent). Of the remainder, 16 percent has problems finding people to operate the activity, 12 percent does not see a market and 12 percent claims to lack tools or capital. Retail activities have been carried out by 14 percent of household in the past and were considered by another nine percent. Also here, a lack of interest and time (together 55 percent) are the main reasons mentioned. In addition to a lack of market, 12 percent, nine percent reported 'personnel' problems and eight percent a lack of proper physical assets. Less then eight percent of households currently not operating service-oriented HBEAs, has done so in the past and a similar group has considered such an activity. Almost three quarters lack interest or time for this. About a fifth of the households have performed agricultural activities in the past. They stopped these activities because physical conditions of the land declined, they had problems with production (e.g. chicken died or vegetables were stolen) or because the persons performing such activities fell ill, had moved or died. The people who never had agricultural activities lack time, proper physical assets or are not interested.

This inventory of reasons and motivations shows a few things. First of all, it shows that HBEAs are part of the livelihood activities of a substantial group of households at one or more moments in their existence. Second, it shows that of the people not having such activities, more than half is not interesting in operating HBEAs, lacks the time to do it or cannot find the people to run it for them. Market-related problems or a lack of capital prevent a much smaller group. I consider this important because, as was discussed in chapter three and will be further analysed in chapter seven, entrepreneurship is often considered valuable for 'all poor people' and stimulated through provision of skills and capital. The inventory of motivation in the communities in Port of Spain and Paramaribo shows that many are not interested in such activities and to the extent they are, it are not skills or capital that prevent them from taking up such activities.

5.3 A Typology of HBEA-entrepreneurs: Vulnerability and Motivation

In previous sections and chapter four, the relation between household vulnerability and age-dependency structure on the one hand and the operation of HBEAs on the other has been demonstrated. Households in situations of consolidation and transition as well as with lower degrees of vulnerability are more likely to have an HBEA. This finding leads to questions regarding the links between these variables and the importance of HBEAs in livelihoods, as well as the way in which such activities are organised. In the previous section the motivation of HBEA-operators to have HBEAs has been raised. A distinction was made between operators with a business- and those with a livelihoods-orientation. Subsequently the question is raised how the motivation affects the importance and pattern of organisation of HBEAs.

In order to address these questions a typology of HBEA-entrepreneurs is developed based on two indicators: household vulnerability and ambition of the operator (see figure 5.1). I have chosen to use vulnerability, and not household assets for several reasons. First of all, the analysis in chapter four shows that household vulnerability more than household assets is related to operating an HBEA. Furthermore, I am mostly interested in finding out how (perceptions on) levels of security and vulnerability affect the organisation of HBEAs and their role in livelihoods.

The vulnerability indicator is based on two modalities that have been most characteristic of the age-vulnerability structure on the one hand and the vulnerability-index on the other: i.e. dependency ratio and the availability of other income.[105] An alternative assessment would have been to use the scores on the vulnerability-index of chapter four. I have chosen not to use those for two reasons. First of all, the index is not developed to give an absolute value of vulnerability but intends to relate the score of a specific group to that of other groups. As a result one cannot draw a boundary at a certain score and qualify everybody with a higher score 'not vulnerable' and below the score 'vulnerable'. Second, only two of the components of the vulnerability-index showed to be related to both HBEAs and the age-dependency structure: i.e. diversification and dependency. Therefore, I have limited the focus to those factors.

For the motivation of HBEA-operators, I expect people with a business-motivation to stand out and therefore I distinguish between two

[105] Households that encompassed more than half dependents and/or where no other income is available are considered vulnerable. Households with fewer dependents and multiple other sources of income are not vulnerable.

motivations: business-motivation and a livelihoods-motivation. The business-motivation applies to people who indicate they want to be their own boss, to be independent, who perceive of entrepreneurship as the way out of poverty and whose dream it is to have their own well organised business(es). People with a livelihoods-motivation, on the other hand, focus on making cash income for consumption, having something for a rainy day, or strictly performing a hobby. These people have an HBEA because it is the only opportunity to earn an income at all, or enough income. They show no interest in having a business and would shift to regular employment if it would be available. Similarly, people performing a hobby usually like doing an activity but are not interested in its business aspects. Several respondents expressed this motivation as follows:

> 'A business? No, this is no business. It is just an activity, something I do to keep me going. I like doing it and it helps me paying bills.'

The analysis of the relation between the degree of vulnerability and ambition of HBEA-operators and the role and organisation of HBEA in livelihoods is based on the information of in-depth interviews. These were conducted with a selection of 80 households, which included a total number of 100 income-generating HBEAs. Six of the HBEAs are no longer in existence and two had started recently. The interviewed households consist of a selection from the household survey and other HBEAs encountered in the neighbourhoods. The selection of HBEAs that was made, aims at doing justice to the variety of activities and the gender division found among households in the survey sample. Yet, it is not a random sample of the HBEAs in this large survey group. Table 5.3 gives an overview of the HBEAs that were part of the selection according to the type of activity and gender of the operator.

The analysis presents the information of 100 HBEAs and 80 households. This brings about a methodological problem. Sometimes the unit of analysis is the HBEA (n=100) and sometimes the household (n= 80). I will, where aspects of the HBEA are discussed, use information on the 100 HBEAs. Where the focus shifts to the household, I will take the 80 households as unit of analysis. This problem is inherent to the vulnerability-ambition typology in itself because that is based partly on household characteristics and partly on HBEA-operator characteristics. Would it be possible to base the analysis on 80 households and 80 HBEAs and choose one HBEA per household as representative? I would say no, because the HBEAs within households operating multiple HBEAs, differ from each other in terms of type and their role in livelihoods.

Table 5.3: In-depth sample by sex operator & type of HBEA (in %)

	Men	Women	Both	Total
Food Production	4	28	5	37
Restaurant (rotishop, warung, Trinidadian dishes, Chinese food)	*1*	*1*	*2*	*4*
Catering (reception/party ((wedding)cakes, roti, pastry, pom)		*5*		*5*
No longer in operation		*5*	*1*	*6*
Production and retail food (snacks, sandwiches, fruit juices, bbq	*3*	*17*	*2*	*22*
Shops/Retail	6	14		20
Snacks and/or sweet drinks	*1*	*3*		*4*
Groceries	*4*	*10*		*14*
Other (book/gas)	*1*	*1*		*2*
Tailor/Seamstress	3	9		12
Crafts (bamboo, woodworker, jeweller, florist, leather, upholsterer)	5		1	6
Beautification (barber, hairdresser, tattoo-artist)	3	2		5
Office (plumber, truck contracting, carnival mass)	2		1	3
Renting Out	3	2		5
Car Mechanics	5			5
Agriculture		2		2
Repair Appliances	2			2
Childcare		2	1	3
TOTAL	33	59	8	100

For example, in more than half of the households with multiple HBEAs, one provided a side income and the other the main income. Selecting one HBEA in a household as representative of the HBEAs in that household would not be confirmed by reality. Pretending that 100 HBEAs are operated by 100 household also results in a false portrait. First of all this picture would be incorrect because the distribution of household characteristics over the sample would be distorted. Since in this study households where two HBEAs are conducted do not deviate from those where only one is operational, it does not cause many problems. The households are of similar size, the gender of the head does not differ, same ethnic group, and a similar distribution of situations of age-dependency. Moreover, they show a more or less similar picture of the vulnerability-ambition of the owner. The second problem is that in qualifying the impact of HBEAs on livelihoods of the involved household the picture would be incomplete because the impact of having two HBEAs would not be considered. Therefore, it is necessary to shift between units of analysis and in this case, the number of units.

In terms of household characteristics (n=80) the sample was characterised as follows. Of the involved households, 19 percent were expanding, 65 percent consolidated, 15 percent transitional and one in a state of dispersion. This is more or less comparable to the scores in the overall

sample of households. The distribution of the HBEA-operators over the vulnerability/ambition typology is as follows: 42 percent have a business-oriented motivation and 58 percent a livelihoods-oriented motivation. Furthermore, 65 percent are more vulnerable and 35 percent not. This results in the following distribution of households:

Figure 5.1: Vulnerability-ambition typology of HBEA-operator (n=100)

Vulnerable Livelihoods-Ambition (39%)	Not Vulnerable Livelihoods-Ambition (19%)
Vulnerable Business-Ambition (26%)	Not Vulnerable Business-Ambition (16%)

Source: data author

I have associated the typology with household, location and individual characteristics. The analysis with the households (n=80) that are involved shows that the sex of the head of the households is significantly associated with the operator-typology. Operators from a FHH are more often vulnerable and livelihoods-orientated whereas operators from 2-parent or MHH more often are not vulnerable and have a business-orientation.[106] The other household characteristics and the country of living are not significantly associated with the operator-typology. The individual characteristics (n=100), notably gender, are not significantly related to this typology. Yet, women operators more often have a vulnerable-livelihoods-orientation (46 percent) than male or combined male/female operators (28 percent).

5.4 The Role of HBEAs in Urban Livelihoods

HBEAs play a role in the livelihoods of a substantial group of households in the neighbourhoods studied. In this section I ask the question what these HBEAs mean to the households involved. An answer is derived from three separate assessments. The first is an inventory of the absolute incomes generated through HBEAs. The second is an appraisal of the social and emotional benefits that HBEAs yield. Finally, their relative importance for and impact on overall livelihoods is assessed. The shapes and sizes of various results are related to the characteristics of households and operators that are my main interest: country, gender, type of activity and the vulnerability-ambition typology.

[106] Cramer's V is 0.33; significant at 0.03.

Absolute Incomes

Similar to experiences in other studies, it also proved difficult to retrieve accurate data on absolute incomes generated from HBEAs in this study. The majority of HBEA-operators were not able to present data beyond rough ideas on sales and profit. The incomes of HBEAs are irregular as business goes up and down in the course of the year, month and week (see the next section on seasonality), or because household-emergencies require stock or savings and business stagnates. Most HBEA-operators do not keep a record that would capture these fluctuations and give an impression of the money earned through their activity. In addition many operators interweave household and HBEA-budgets in one way or the other.

Quantification of the absolute HBEA-income has been done as far as the provided information of the in-depth interviews has allowed. This data (of 54 HBEAs) shows that the range of income in Port of Spain is between US$10 and US$1100 per month while the mean income is US$202. In Paramaribo, the range is between US$3 and US$850 monthly and the mean income is US$160. However as stated above, these results should be read with some caution as they refer to only half of the HBEAs. Moreover, median incomes are considerably lower than mean incomes (US$95 and US$120 in Suriname and Trinidad and Tobago respectively) which indicate a skewed distribution with a few peaks accounting for the mean income. The inabilities for most HBEA-operators to provide accurate data and the general fluctuation of absolute incomes have led to the following classification of absolute incomes (see table 5.4). This table clearly demonstrates that more than half of the HBEAs generate less than US$100 on a monthly basis.

The minimum wage in Trinidad and Tobago at the time was TT$8 per hour (approx. US$230 per month). In Suriname, where there is no minimum wage, a cleaner with the government earned approximately US$120 per month (although not for a full-time job) and the poverty line for a household with two adults and two children was SGL648,000 (approximately US$230). Therefore many of the incomes earned with HBEAs are lower than what is considered the minimum in each country and lower than what is considered necessary to support a household. Yet, as will become clear below, most HBEAs produce a secondary income and are often part-time. Comparing such incomes with minimum wages therefore holds a danger of undervaluing them.

Table 5.4: Absolute HBEA-income monthly by country (in %)[107]

Monthly income (US$)	Suriname	Trinidad and Tobago	Total
<100	59	51	54 (n=51)
100-199	20	25	22 (n=21)
200-499	17	17	17 (n=16)
500 or more	5	8	6 (n=6)
Total	44 (n=41)	56 (n=53)	100 (n=94)

No significant relation: Cramer's V is 0.09; significant at 0.86

These incomes do not indicate the amount of time and energy invested in the provision of these activities. Characteristic of many habitat-related activities is their high input in terms of labour and or time that are not reflected in the price or costs indicated. The above can be illustrated with some representative examples.

> Glenda and her husband live in Suriname and run a childcare centre. Generally the centre generates SGL300,000 (approximately US$105) monthly. Glenda saves SGL100,000 in a ROSCA every month. The money derived from this is used for repairs and investments such as toys, sheets and mattresses in the childcare centre. The rest of the money can be categorised as her income. Glenda and her husband then earn SGL100,000 each per month; this comes down to US$1.79 per workday. In return the centre is open five days a week from six am until six pm. A cleaning lady working for the Surinamese government (on a temporary contract) earns the same income for three to four hours of work a day.
>
> Another Surinamese example is Leatitia who makes *ijsjes* (popsicles). After deduction of costs for ingredients she earns about US$30 monthly. Once or twice a week she takes two hours to make the *ijsjes* (equal to 12 hours per month). To sell the *ijsjes* she is open seven days a week from noon until midnight. The opening hours do not prevent her from doing any other productive or reproductive activities in the house. Leatitia however, cannot *leave* the house during this time to perform other activities. Her children and husband assist her with selling but not with the production. As long as selling is something that is not interfering with other activities and duties, Leatitia only acknowledges the production of *ijsjes* as labour time. This means, she earns US$2.5 per worked hour. Yet, if she would sell more or other products, selling would stop her from domestic and reproductive tasks and become part of the labour time, hence reduce her hourly income.

These examples show that a standard way of calculating income is not appropriate and that each HBEA needs to be assessed individually with specific economic processes and household situations taken into account. What the examples and the figures presented before also make clear is that the absolute value, either in hourly or total earnings, of HBEAs is modest. Yet, the fact that incomes are modest in comparison to what people could

[107] The six HBEAs that are no longer in operation have been excluded.

have earned in other sectors of the labour market is not the correct approach for valuation of HBEA-income. Having an HBEA is not the result of choosing between various viable alternatives but between doing and earning nothing, and having an HBEA. People lack access to the regular labour market or cannot combine that with other tasks, such as child care or with school hours. Or, others have a day-time job but spend their afternoons at home. Operating an HBEA makes this stay-home period an economic time as well.

The size of income does not relate statistically to the type of product the HBEAs deliver or the gender of the operators. Distinctive trends however are visible. Over three-quarters of small-scale producers of snacks and those in beautification make less than US$100 monthly, whereas only a quarter of restaurant owners, shopkeepers, office-operators and large-scale food producers earn such levels of income. Similarly, female operators more often generate less than US$100 than male counterparts. These two findings are related, since women especially are found in the lowest-paid activities such as small-scale food production. The size of income is related to the vulnerability-ambition typology (see table 5.5). Operators with a livelihoods-orientation are much more often found in the lowest income brackets than business-oriented operators.

Table 5.5: Absolute HBEA-income monthly by HBEA-operator typology (in %)[108]

Monthly income	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
< 100	69	23	89	33	54 (n=51)
100-199	26	27	6	27	22 (n=21)
200-499	6	39	6	20	17 (n=16)
500 or more	0	12	0	20	6 (n=6)
Total	37 (n=35)	28 (n=26)	19 (n=18)	16 (n=15)	100 (n=94)

Cramer's V is 0.35; significant at 0.00. However because of low expected frequencies these statistical relations are unreliable

Seasonality

All HBEAs experience some degree of seasonality. This seasonality can exist over the course of the year, month, week and even day. The swings in demand over the year affect mostly tailors, seamstresses, craftsmen and caterers. Christmas, Easter, the reopening of the school year, Emancipation Day, and Carnival in Trinidad and Tobago are excellent times for tailors and seamstresses. Craftsmen and caterers' businesses flourish during Christmas, Easter and to a lesser extent Carnival. Demand is much lower for the rest of the year, meaning that careful budgeting is necessary.

[108] The six HBEAs that are no longer in operation have been excluded.

> 'You know, it fluctuates. I have peaks round Christmas. Christmas is real busy: cake, fruitcakes, poncho crème, pastels. And that will run between October 'til February. And then? Well, after Carnival I will get a drop and then it will start to rise again for Easter and then it will drop again until the summertime, which I think is the hardest time. So it is just a matter of utilizing and understanding the time when money is up and money is down and work around it. During my peak time, when money comes in, I make sure I stack it away at Unitrust. So at that time when things are looking downwards I go and withdraw from Unitrust' (Selma, caterer in Gonzales, Trinidad and Tobago).

The alternation between rainy and dry seasons shapes the opportunities to perform agricultural activities, but as rains may lead to flooding of roads in the neighbourhoods, various HBEAs complain about limited business in the rainy season:

> 'The street is very bad here and it floods so people cannot reach here when it rains' (Ramona, hairdresser in Nieuwweergevondenweg, Suriname).

Month end and fortnightly are times when salaries are paid in both Trinidad and Tobago and Suriname. The days immediately after pay-day, shops and parlours report higher turnovers because customers pay their debts and stock up on their basics. These are also the best moments to organise neighbourhood barbeques or to sell cooked food such as bake-and-shark or boiled corn on the streets. Of course, the shopkeeper's challenge is to make sure they have everything people want to have to make sure not loose out on a sale.

> 'Sometimes it [sales] is bad but in Trinidad we think like a fortnight and a month end. That is payday and then the sales are usually much better. This weekend is going to be good 'cause it is month end and a holiday…For the rest it has times, sometime it is good and sometimes it is slow' (Tina, shopkeeper in Gonzales, Trinidad and Tobago).

Rather than opportunities for specific activities at specific times of the week, month or year, seasonality results in insecurity and vulnerabilities. Many types of HBEAs experience slow times that limit their business opportunities and force them to mitigate with other activities:

> 'I mean, when you sell here from this area, you are not able to sell the whole week. 'Cause whole week business slow. You have to look like selling in the weekend. So that is just two days, Friday evening and Saturday' (Rose, former bake-and-shark seller, Gonzales, Trinidad and Tobago).

This is different for business fluctuations that occur during the day. These are much more related to the labour management for HBEAs. Since early morning is busy for childcare centres and parlours that sell to school children, some HBEA-operators get up in the middle of the night to be

ready in time. After office/school hours are generally seen as better times to shop, visit the seamstress and drop off a car to repair. As a result working days are long and fragmented.

Social Impact

HBEA do not just generate results in cash income or food in the case of agricultural activities. Many have considerable social or non-tangible benefits for the people involved. These benefits mostly take the shape of increased self esteem and dignity but sometimes mean improvement of the social status within communities and the household. A first social impact that was expressed by many people was the sheer joy they had in doing their work. Related is the fact that many feel proud of themselves for being able to create something, and using a specific skill.

> 'Yes, I would miss it but my mother especially would miss the work if she can't do it again. She can sew for you with her eyes closed. But for me it matters too. If it were only because I like to wear beautiful things that people are amazed by' (Nicole, seamstress, Nieuwweergevondenweg, Suriname).

> '[What do you like most about it?] To make a new piece. I like when people see them and, you know, it have them in 'awe', they are amazed. Sometimes people see pieces and they can't understand what it is. They don't even know if it is bamboo…. And they say "nah, I can't believe that is bamboo, what you use"' (Paul, makes lamp holders from bamboo, Mount D'Or, Trinidad and Tobago).

The efforts of HBEA-operators are often appreciated by customers and their positive reactions on for instance the taste of food, are highly valued by HBEA-operators. In addition, neighbours value the fact that specific services and products are offered within the community (such as shops or a childcare centre) or complimented people on the quality of the product. This contributed to people's self–dignity and the feeling they were doing something for the community. Some of the HBEA-operators even expressed how their status within the community changed as a result of their HBEAs:

> 'I think I would die, I would really miss it! Most valuable from the work is to know that people appreciate what you do and you are there for plenty people. Some show you the appreciation but some want to bring you down. But you are there for plenty people who are in need at that moment and they have some one to go to and tell: "Miss Amanda, so and so, I would like to from now till that time". And this is what I appreciate most of them. I am "aunty" and "mother Amanda" now. Everyone knows and respects me' (Amanda, shopkeeper in Gonzales, Trinidad and Tobago).

Other than this, the income of HBEAs offers a degree of independence to operators. This is important especially to women without other

opportunities to earn an income. The HBEA-income provides them with the opportunity to make (at least some) financial decisions without having to ask someone else within the household, mostly a partner. The size of the income is usually too small to create full financial independence, but gives at least some space for decision-making.

> 'He is old-fashioned a real traditional Hindustani. I pushed it really, because I really really wanted it. I wanted to something and not just spend money all the time. I like to give things to my children and be able to do things. Now he likes it because I can support him now. We do not fully depend on his salary anymore. He does not have to give me everything. You know, sometimes they earn money on the sea [he is a fisherman] but sometime they don't. You know; if you are with a husband and he knows everything you have and gives you money for the house, he interferes. If you have a bit for yourself, you have to tell no people what you do with the money and why. He doesn't know what I earn with the cakes' (Esther, makes wedding cakes in Krepi, Suriname).

Esther's example shows the social importance of the contribution, as small as it may be, of HBEAs to the livelihoods of the household. This again contributed to self-dignity but also affected the bargaining position of the operators within the household, be it in a limited way. Generally, the size of the income does not change the basic structure of existing pooling mechanisms. This may be an advantage however rather than disadvantage for women, because it does not motivate their partners or other members in the household to stop contributing and shift financial responsibilities on to the HBEA-operator.

Esther relates her social position within the household to ethnicity. Her opportunities to work and freedom in financial decision-making are very restricted, partly because of the traditional Hindustani origin of her husband. This study has too little information on ethnic differentiation to make a clear argument about this. Yet, I would argue that for HBEA-operators who have a limited degree of freedom to make financial decisions or take up labour opportunities within the household, HBEAs are crucial. Maybe the absolute incomes they provided derive from HBEAs are modest, their non-tangible benefits are essential.

Relative Contribution to Livelihoods

The previous chapter revealed that households with HBEAs are less vulnerable than households without such activities. This lower vulnerability is mostly related to the fact that in households with HBEAs the variety and number of sources of income is larger than in households without such activities. The current section further discusses the relationship between vulnerability and HBEA by examining the goals of

HBEA-income and its role in and function for the livelihoods of the households.

I propose that the function and organisation of HBEAs are not static. Rather they are closely related to developments that occur within the household and its livelihoods. Over time, the number of household members, their age and economic participation change. These affect the assets households have at their disposal, the livelihood strategies they can develop and capabilities they derive from these strategies. As a result, HBEAs have different roles and fulfil different goals. HBEAs are the sole income provider when households temporarily or permanently lose other sources of income due to shocks or stresses, while at other times HBEAs provide money than can be used for large investments such as a house or school fees or appliances. When there are no urgent needs or when households are very vulnerable, HBEAs can be used for savings, either by saving the income that is generated through an HBEA or by reinvesting the money back into the HBEAs.

Consumption Goals for HBEA-Income

The income earned with HBEAs is spent on a range of varying goals (see table 5.6). Only a small proportion of the HBEAs-benefits are used for whatever is necessary. The large majority of households have earmarked the money that comes in through habitat-related economic activities. For instance, it may be used to pay daily expenses such as school fees, transportation, and utility bills, or for food expenses (55 percent). The benefits from other HBEAs (25 percent) are kept aside for a rainy day, to cope with emergencies or to be able to pay for small extra expenses that come up (gifts or clothes). Operators may save this money in a bank or credit union or leave it in the cash register and take some when they need it. A smaller fraction (13 percent) of HBEA-operators reinvests everything in the HBEA in order to enlarge it or create a buffer to live off in times of hardship. Others channel their HBEA-money to large investments in electrical appliances, house renovations or ceremonies, such as weddings (seven percent). Earlier in this chapter I pointed at the relation between having an HBEA and quality of the physical assets. The fact that few use HBEA-income to improve a house indicates that a substantial group already had a qualitatively better house before starting their HBEA. The example below shows how various HBEA-incomes can be earmarked:

> 'I built this extension to the house with my money from the child care centre. With use of kasmoni [ROSCA]! When I started the child-care centre I started to put money in a kasmoni and that is how I managed to do it. Whenever I would receive my hand in the kasmoni, he [husband] bought material and we would do part of the work. That is how we managed to build the toilet. Before, I used to have a latrine. It is all done with money from babysitting. I always tell people: "Look, my crèche-money is here". The money that comes in from baking fiado [cake] is less

> and irregular but that is also important. I never budget that so when it comes, it is always right in time to pay something unexpected' (Glenda operates a child care centre and makes traditional cakes on order, in Nieuwweergevondenweg, Suriname).

The goal HBEA-money serves changes over time and is very much related to the situation within the household:

> 'I was lucky when I started the parlour. My husband was working at the time and I was selling. But I did not have to use that money to buy things for the house or to pay bills. As he was working, I would take his money to pay bills and buy groceries. I could put my selling money back in the business and buy something more if I wanted to or pay my children's school. When he was not working though, the parlour had to feed us all and at those times you do not extend or maybe even would dip in it. And now, the parlour builds the house. We are still building it. You stop and go, stop and go. Right now we have to pay some money back to the bank, and that is together with light and phone bill what the parlour does' (Amanda, shopkeeper in Gonzales, Trinidad and Tobago).

Amanda explains how the goal of her HBEA-income is affected by the availability of other incomes in the household. Similarly, she explains how the number and age of dependents affect the goals HBEA-incomes serve. The relationship is also confirmed in the quantitative analysis of the relationship between 'goal of money' and the HBEA-operator typology (see table 5.6). It shows that the vulnerable groups spend HBEA money more often on daily expenses and less often on large investments. There is no difference between operators that have a strong business-or a strong livelihoods-orientation. Similarly, gender of the operator or country does not yield significant differences.

Table 5.6: Goals HBEA-income by HBEA-operator typology (in %)[109]

Goals	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
Daily expenses	67	73	16	44	55
Emergencies/savings	21	23	42	19	25
Large investments			21	19	7
Reinvested in HBEA	13	4	21	19	13
Total	39 (n=39)	16 (n=26)	19 (n=19)	16 (n=16)	100 (n=100)

Cramer's V is 0.52; significant at 0.01. However because of low expected frequencies these statistical relations are unreliable

[109] HBEAs no longer in business have been taken into consideration. As the income of each HBEA is meant for a specific goal, 100 HBEAs are taken as unit of analysis here.

Role of HBEAs in Livelihoods

The absolute income that an HBEA generates is often modest in size and fluctuates a lot. Nevertheless, HBEA-operators generally put a high value on its contribution to livelihoods. To understand this role properly it is important not just to focus on absolute benefits but also on the role of HBEAs in relation to other livelihood activities. As was shown in chapter four, most households do not rely on one source of income but carry out a range of activities. Each activity has its own relative value and role, and should therefore be analysed in the perspective of other activities.

The subsequent analysis (table 5.7) is based on the information of HBEA-households. For the 20 households that operate more than one HBEA, the combined contribution of both HBEAs to household livelihoods is used. The HBEA-operators in this sample, explained that their HBEA(s) provides the sole income to the household (20 percent), the main income (31 percent) but for most (49 percent) a secondary or side income.[110] This role in livelihoods is associated with the typology of HBEA-operators developed above (see table 5.7). The association is particularly strong where it concerns the motivation expressed by people to operate a business: for operators with a business-orientation their HBEA plays a more prominent role in livelihoods than for those with a livelihoods-orientation. Moreover, considerable differences exist between vulnerable and not vulnerable operators.

Table 5.7: Role of HBEA in livelihoods by HBEA-operator typology (in %)

	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
Sole income	21	46			20 (n=16)
Head Income	24	32	7	71	31 (n=25)
Side income	55	23	97	29	49 (n=39)
Total	36 (n=29)	28 (n=22)	19 (n=15)	18 (n=14)	100

Cramer's V is 0.46; significant at 0.00. However because of low expected frequencies these statistical relations are unreliable

The Meaning of HBEAs: from Survival to Security?

Ghafur (2002) relates the operation of an HBEA to the livelihood situation and distinguishes three levels of livelihoods: survival, marginally improving, and petty capitalists. He claims that most HBEA-households remain at the level of survival. His classification is comparable to that of Grown and Sebstadt (1989) where enterprise performance is labelled as survival, security or growth. This study combined the two classifications and distinguishes three levels of livelihood opportunities: survival, security, and better-off. The central question is what kinds of households

[110] When individual HBEAs are considered this is 17 (sole income), 25 (head income) and 58 (secondary income) percent respectively.

find themselves in which situations and how that position is changed because of an HBEA. Again, the information from 80 households is used.

The last question on change in livelihood opportunities should be addressed through a longitudinal study which this study is not. A construction of the change in livelihood opportunities as a result of HBEAs is based on three sets of information. The first is an historical description of HBEA-operators on their livelihood opportunities at the start of the activity and what their HBEAs have meant to them in the course of time. The second is an assessment of the current livelihood opportunities that the involved households enjoy. For example, a start situation may be one where the household lived off one irregular income and was vulnerable to all kind of shocks. The operation of an HBEA can have resulted in a situation where day-to-day living is now guaranteed and some emergency savings realized. In other cases, operating an HBEA has reduced vulnerability by risk spreading, yet meeting daily needs is still challenging. The disadvantage of this method is that it cannot exclude other factors affecting the change in livelihood opportunities. Moreover, it is hard to compare between households that had HBEAs for long and short durations. The third set of information shows what would happen to the household if HBEAs would no longer exist, assuming that no other activities are taken up. Some households will not notice any difference but others need to develop an alternative immediately in order to survive. Again, this assessment has a strong qualitative basis and should be valued as an indication rather than a hard relation. Yet, it presents an interesting picture.

A first group of households finds themselves currently at a level of survival. These households struggle to pay their basic expenses and needs, such as food, utility bills and rent (when needed), school fees and transport. They have no financial reserves to fall back on in case of emergencies, such as health problems or leakages in the house. Of the households in our sample 33 percent (26 households) fall in this category. However, without the income of HBEAs (and households not taking up other activities) about two-thirds of households would be functioning at this level (69 percent). In other words, HBEAs assist 35 percent of the households in our sample to move from survival to security and maintain that level. One household moved to a level beyond that because of the HBEA.

A second group of households are able to cover basic expenses as listed above. Moreover, they can cushion themselves against shocks and stresses such as sickness, a refrigerator that breaks down or an increase in the costs of transportation. They are able to maintain a low but secure level of livelihoods. Still, they are not able to make substantial long-term

investments in assets such as housing or (private or higher) education. This group includes 56 percent of households that were interviewed, but without their HBEAs it would consist of only 26 percent. The households that were already at a level of security at the start-up of HBEAs have mainly been able to strengthen their position in this group (21 percent). Six percent was able to move from being secure to being relatively well-off.

The third group finds itself at a level beyond security and is relatively well-off. They are able to make structural investments in future assets such as housing and education. In addition their day-to-day livelihoods are secure. This group has opportunities to maintain expenses on hobbies or free time. 11 percent of households are at this stage but without their HBEA there would be only five percent in this category.

Table 5.8: HBEA-related change in livelihoods by HBEA-operator (in %)

	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
Stable at survival level	62	32	7	0	33 (n=26)
From survival to security	28	46	27	43	35 (n=28)
Stable at security	10	9	53	29	17 (n=21)
From survival or security to better off	0	9	7	14	6 (n=5)
Stable at better off	0	5	7	14	5 (n=4)
Total	36 (n=29)	28 (n=22)	19 (n=15)	18 (n=14)	N=100

Cramer's V is 0.38; significant at 0.00. However because of low expected frequencies these statistical relations are unreliable

The table 5.8 shows the change in livelihoods for households with HBEAs. It shows that, no matter what the orientation of the operators is, HBEAs assist in moving from a level of survival to security. A first conclusion is that the operators that have a business-orientation move to a level of security much more often than those with a livelihoods-orientation. A next conclusion is that vulnerable households and those with a livelihoods-oriented operator move less often to a level beyond security.

A final analysis made here relates the role of the HBEA-income to the change in level of livelihoods. Various conclusions can be derived from this table (5.9). First of all, the role of the HBEA(s) in the household does not affect the fraction of households that remains at a level of survival. However, where HBEAs are the sole or main income, households are better able to use their HBEA as a means to move from the level of survival to security or even beyond that. In comparison, for HBEAs that are a side income such activities realise consolidation at a level of survival or security rather than moving upwards. Still, a considerable number of

households with an HBEA as side income move beyond a level of survival.

Table 5.9: HBEA-related change in livelihoods by role HBEA income (in %)

	Sole income	Head income	Side income	Total
Stable at survival level	38	32	31	33 (n=26)
From survival to security	44	48	23	35 (n=28)
Stable at security	6	8	36	21 (n=17)
From survival or security to better off	13	8	3	6 (n=5)
Stable at better off	0	4	8	5 (n=4)
Total	**20 (n=16)**	**31 (n=25)**	**49 (n=39)**	**100 (n=80)**

Cramer's V is 0.30; significant at 0.07. However because of low expected frequencies these statistical relations are unreliable

For households that operate two HBEAs the combined result of the activities is a bit different. More of them are able to move from a survival to a secure level but few move beyond that level. In addition, without their HBEAs more would reside at a survival level. Operating more than one HBEA therefore, mostly contributes to spreading of risks.

5.5 Conclusions

This chapter has analysed the prevalence of HBEAs and their role in livelihoods of the involved households. Income-generating HBEAs play a role in 40 percent of households in the areas of study. Under the heading HBEA a wide range of productive, retail and service activities is subsumed. Still, food production and general sales/retail activities dominate the sector. These findings are aligned with the ideas in current literature on HBEAs. However, little attention has been paid in literature to the motivation of HBEA-operators. In this study, I did look at this and found that business-ambitions such as developing a flourishing business and being one's own boss were less important than livelihoods-oriented ambitions directed at producing security or cash income.

The role of HBEAs in livelihoods in the literature has so far been discussed in terms of absolute income. To the extent that data is available in this study, it confirms the ideas in these studies. The majority of HBEAs generate modest and irregular incomes, while few yield high incomes from their activities. Yet, as I argued in this chapter absolute data is unreliable and provide an incomplete picture of HBEA importance. Therefore, data on the social impact and relative contribution to livelihoods is important in an analysis of HBEAs. First of all there are other benefits than tangible benefits to be gained from HBEAs. HBEAs generate non-tangible benefits, such as self-esteem and a degree of independence that contribute to levels of well-being of their operators. Such benefits are important and motivate people to continue activities,

despite the modest incomes derived from it. They are most valuable to people without many alternatives, i.e. home-bound and low-skilled women.

The relative importance of HBEAs relates their meaning to other livelihood activities within the household. Almost half of HBEAs produce a secondary income in the household, i.e. in addition to and smaller than other incomes in the households. Hence, they contribute to spreading livelihood risk and add to other incomes. I have also assessed what livelihood opportunities households gain or maintain as a result of operating an HBEA. It shows that a substantial group of households upgrades their livelihoods from a level of survival to security and maintains it at such a level. Yet, for a third of households, HBEAs assist in their day-to-day survival but do not upgrade their livelihoods to a sustainable secure level. Finally, very few households are able to move beyond a level of security to structural long-term improvements.

Also in this chapter, findings have been related to characteristics of location, household, and individual. Again, similar to chapter four, the country of residence makes no difference for the prevalence, type, or role of HBEAs in livelihoods. This suggests that macro-level conditions do not affect HBEAs as long at least as these conditions have not trickled down to the level of households. I had expected differences between inner-city neighbourhoods and those located in the urban fringes would be visible. Yet, such differences were small and related only to agricultural activities.

As I argued in terms of gender issues, women are more often active in HBEAs than men are and they dominate the food sector. As this is the least profitable sector, the incomes they derive from HBEAs are lower than those of males. However, women's HBEAs play similar roles in livelihoods and their motivation to operate an HBEA is not different from that of men. Their alternatives however are fewer. As we have seen in the previous chapter, unemployment among women is much higher, which means that HBEAs are often the only type of activity they can turn to. Hence, HBEAs are not just a positive choice but also one from a lack of other opportunities. Men have better access to the regular labour market. Moreover, male opportunities for self-employment include activities which are not home-based and outside the scope of this study. However, the gender of the head of the household does not affect the incidence of HBEAs in Paramaribo and Port of Spain. This differs from what is stated in the literature.

The age-dependency structure of households affects the prevalence of HBEAs. Households in less vulnerable situations (consolidation and

transformation) more often operate such activities than other households. This finding and the conclusion in chapter four that HBEAs and household vulnerability are strongly related to the typology of vulnerability and ambition that combined the ambition of the operator and the vulnerability of the household he/she belongs to. This typology shows a significant relationship with the role of HBEAs in livelihoods. First of all, business-oriented HBEAs make the largest difference to their livelihood situation as a result of activities. In addition, differences exist between livelihoods-oriented operators from invulnerable and vulnerable households. For the latter group HBEAs are mostly important in day-to-day survival, while the first is able to move up or maintain a level of security. By far the largest group of HBEA-operators belongs to the group of vulnerable livelihoods-oriented operators. Figure 5.2 shows the picture of the role of livelihoods for each type of operator.

Figure 5.2: vulnerability-ambition of operator and the role of HBEAs in livelihoods

Vulnerable livelihoods-ambition Small income Daily expenses and emergencies Mostly side income, some head Stable at survival or change/consolidation at level of security	**Not vulnerable livelihoods ambition** Very small income Emergencies/large investment Side income Few at survival, Consolidation at security or move beyond
Vulnerable business-ambition High income Daily expenses and emergencies Side, head and sole income Largest change from survival to security or beyond, substantial at survival level	**Not vulnerable business-ambition** Higher incomes Daily expenses and all others Head and sole income Both change to and consolidation at security or move beyond

A range of interesting questions follows from this finding. The first concerns cause and effect. Do livelihoods-ambitions lead to side-incomes or does the aim of realising a side income go hand in hand with a certain livelihoods-orientation? Another question is whether vulnerable households remain most often at the level of survival because of the way they organise their HBEA, or is the way they organise their HBEA the result of their vulnerable organisation and a risk-avoiding strategy? These and other questions are addressed in the next chapter.

6

ORGANISING HBEAS

ORIGIN AND USE OF HUMAN, FINANCIAL AND PRODUCTIVE ASSETS

'Daar gaan zij, wiegend langs houten gebouwen, door de straten van de stad. Teilen fruit en zuurtjes op hun kruin, hoofd vol beslommeringen. Op het heetst van de dag, dan koken zij en zingen psalmen die ik niet snap. Anton A.r. de Kom: Palmen[112]

The previous chapter discussed the prevalence and variety of HBEAs in the four neighbourhoods of this research. It assessed the absolute and relative impact of such activities on the livelihoods of the involved households. The data revealed a large variety of activities and a high frequency of female operators. The majority of activities generates modest income and functions as side income in household livelihoods. Yet, HBEAs are important to progress from a livelihood situation of survival to a level of security or consolidate security. The previous chapter also showed that the combination of household vulnerability and ambition of the operator structures the role and function of HBEAs in livelihoods. Surprisingly, no differences existed between the two countries, despite considerable differences in the economic and institutional environments.

These findings raise various questions. The first is how HBEAs are organised and what kind of institutions play a role in this? And, how is this different

[111] 'There they go; striding past wooden buildings, through the streets of the city. Tubs with fruit and sweets on top of their heads full of worries. The hottest time of the day, is when they cook and sing psalms I do not understand'.

for HBEAs in Suriname and those in Trinidad and Tobago? Second, what is the relation between the vulnerability-ambition typology and gender of the operator, the organisation of HBEAs, and their impact on livelihoods of the involved household? Does it make a difference whether operators pursue a business-motivation based on finding a niche, being independent and pursuing growth and development, or a livelihoods-logic where generating (regular) income for consumption, risk spreading with minimum financial input and minimum risk are the norms governing behaviour? Similarly, do gender-related opportunities and constraints affect this?

Hence, the perspective in this chapter moves within the HBEA and focuses on its organisation. I analyse the acquisition, use and input of human, financial and productive assets. More precisely, the focus is on: the input and acquisition of technical skills, business skills and the organisation of time and labour (human assets); the input and acquisition of investment and the financial management (financial assets); and the use of space, the channels of supply and markets (all grouped here under productive assets). The experiences of the HBEA-operators are related to and explained by characteristics of the HBEA (type of product or service offered and country of operation), its operator (gender of the operator and vulnerability-ambition-type) and the importance of HBEAs in livelihoods (role and function).[112]

The organisation of HBEAs in terms of human, financial and productive assets is presented after a review of recent literature on the organisation of HBEAs. The analysis is concluded with a portrait of two distinct patterns of organisation. Subsequently, the organisation of HBEAs is discussed in relation to the degree to which HBEAs comply with existing rules and regulations, and the role and function HBEAs play in the livelihoods of the involved HBEA-operators.

6.1 The Organisation of HBEAs: What Do We Know?

A review of core literature on HBEAs shows that most authors consider one of several of the organisation aspects listed above, but few take the whole range into consideration. Furthermore, as has been stated in the introduction to this thesis, there is no study on HBEAs in the Caribbean context with the exception of Dodman (2007). The literature used here covers mainly Asian (in Sri Lanka, India and Bangladesh) and African cities (mainly in Ghana and South Africa). Finally, surprisingly little attention has been paid to the variety and differentiation in the

[112] For each asset, relations with all characteristics have been made. However, only those relations are discussed here that proved relevant.

organisation of HBEAs, with the exception of Mallika Bose (2000) and Shayer Ghafur (2002) who consider diversity through their focus on gender differences in spatial and labour organisation in HBEAs.

HBEAs are diverse in terms of time and labour consumption, and financial, spatial and technical demands (Gilbert 1988:25). However, common organisational characteristics exist. For one, many enterprises are operated from morning until night, at least partially within the house or on the plot, and their financial affairs are mixed with private financial matters (Afrane 2000:9). This means that the operation of the activities is socially, financially and spatially integrated in households' private lives (Strassman 1987:122; Kellett and Tipple 2000). Related to this notion of fungibility is the family mode of production of HBEAs: the family controls most of the land and capital to which its labour is applied, most of the family's land, capital and labour are used in the enterprise and most labour is provided by the family (Lipton (1980) in: Kellett and Tipple 2000:204-205).

Human Assets: Skills, Time and Labour

HBEAs rely on simple technology and are usually labour-intensive (Afrane 2000:5). In Ghana more advanced technology (including deep freezers or sewing machines) is only used in a small proportion of HBEAs (ibid.). Most of the labour mobilised is derived from within the household and includes the involvement of spouses, children and other family members (Strassman 1987:128; Kellett *et al* 2000:214). HBEAs are important for generating employment, especially of household members otherwise not involved in paid labour (Tipple 2005b:618-620). In Kumasi, for example, 60 percent of all members in households operating an HBEA are involved in this activity (Afrane 2000), in Lima 1.4 member in each household contributes to the HBEA (Strassman 1987) and in various locations all over South Africa, an average of 80 percent of labour in *spaza* shops was family (Ligthelm 2005).[113] Children work in HBEAs but the assumed exploitative use of child labour was not confirmed in studies. It seems to be mostly limited to small and specific tasks such as 'watching the shop' or household chores (Ghafur 2000; Tipple 2005b:620).

Most of the employees in HBEAs do not receive payment for their work and this is crucial for the continuation of HBEAs. Instead, reciprocal arrangements govern the exchange between food, pocket money, housing and training, in return for labour (Tipple 2005b:620; Ligthelm 2005). Hence, paid labour plays a modest role but exactly how modest is not clear from the literature. Tipple (2006:174), for example, states that 'very

[113] A *spaza* is a small shop in a shed or part of a home in a residential area-comparable to *parlors* in Trinidad and Tobago.

few' HBEAs use paid labour, while Afrane (2000) counts a mean of one external worker per HBEA.

The literature on HBEAs does not pay much attention to the division of labour between various household members involved in the HBEA. Exceptions stem from studies from Ghafur (2002), Bose (2000) and Afrane (2000) into gender relations. Afrane, for instance, considers the influence of gender and household head on HBEA-managers and ownership. Owners and operators are usually not the same person and each has her/his own tasks. She shows that men more often own and women more often manage HBEAs. However, in my opinion, the differences she presents are rather small (four percent for each task) and as no significance levels are given, these may be statistically unreliable.

There is a general consensus among scholars that HBEAs are labour-intensive. The precise input of labour, though, appears to be hard to assess. The prime reason for this is that no clear temporal distinction is made between reproductive, domestic and productive work. The work in HBEAs is integrated with household chores and childcare activities, which creates fragmented labour activities and long hours of operation (Afrane 2000:5; Tipple 2005b:620). In addition, size of the labour input and its distribution over the day is the result of seasonality, market demand and the availability of utilities such as electricity (Bose 2000:67; Kellett *et al* 2000:214; Kellett and Tipple 2000:205). Many activities occur all year around but have seasonal fluctuations, such as HBEAs selling food to school children or seamstresses. In peak times the work load is immense but in slow times, very limited (Afrane 2000:9; Gough *et al* 2003:261; Tipple 2006:174).

Depending on the type of product or service offered, skills are deployed. Little information is available on the level of skills mobilised in HBEAs and the sources of acquisition studies, but available studies sketch a rather homogeneous picture. The Calcutta women of Bose's study (2000) used mostly unskilled labour and only 13 per cent of Ghafur's (2000) sample of Bengali HBEA-operators used specialised skills. The others were un- or moderately skilled. In the Kumasi example of Afrane (2000:4), the general level of education was fairly high but only 38 percent had received formal training in skills applied to the HBEA. The skills used are often acquired from informal sources, such as family, relatives and neighbours, although more formal sources such as on-the-job training play a role as well (Kellett *et al* 2000:212; Tipple 2005b:622).

Financial Assets: Investment and Management

Initial investments in HBEAs are often small (Tipple 2005b:624). In a Bengal sample for example, more than half invested less than Tk 500 (£72) and only six percent more than Tk 5000,- (£720) (Ghafur 2000). The sources of investments are often personal funds e.g. savings, wages from other jobs or profits from an early business, and not so much credit and loans (Tipple 2005b:624). Studies in Bangladesh and Kumasi show that between 46 and 86 percent of HBEA-operators used their own funds for initial investment and that a minority of between 14 and 28 percent took out credit (Afrane 2000:4; Ghafur 2000). In the South-African case of Lighthelm (2005) 20 percent borrowed from family. As sources of credit, relatives, NGOs and money lenders were more important than banks and other formal institutions (Afrane 2000; Tipple 2005b:624; Ligthelm 2005). Generally, a lack of access to HBEA-finance and funding is perceived as a major problem for HBEA-operators (Kellett 2000: Gough *et al* 2003:226). The studies discussed here, show that HBEA-operators themselves are also not keen on loans and credits from formal institutions and rather mobilize household income or informal sources for the start of HBEAs. Where micro-finance institutions are available, e.g. in cases of South-Africa and Kumasi, these do not seem to be a major source of funding (Gough *et al* 2003:267; Ligthelm 2005). Reasons for reluctant use of formal institutions vary and include a lack of information and collateral but also mistrust and a general avoidance of any form of risk taking, including loans. The question brought up by Ligthelm (2005) therefore is very relevant. He wonders whether HBEA-operators use personal funds because they lack access to other sources of finance, or because they prefer to do so. Finally, studies are universal in their opinion on the financial organisation of HBEAs. Informality is the main characteristic: household and business budgets are often mixed, no proper bookkeeping is done, costs and pricing methods are crude and incomplete (Gilbert 1988:29; Afrane 2000:8; Kellett *et al* 2000).

Productive Assets: Space, Suppliers and Markets

HBEAs have their spatial base within the home environment. Often, especially where production is concerned, they are carried out within spaces that are not designated for work and need to be converted for other uses (Bose 2000:66; Gough *et al* 2003). HBEAs using space exclusively for the HBEA rent out rooms, or have customers who need to spend a relative large amount of time in the space (Strassman 1987). The net space used in HBEAs is 'surprisingly little' but households with HBEAs tend to have larger living space than households without such activities (Tipple 2004:378). Moreover, more spacious HBEAs derive higher incomes from it (ibid:376).

The space used for HBEAs is not limited to the home but, depending on the type of activity, it stretches out to the wider home environment and encompasses the compound or yard, the street and the neighbourhood (Sinai 1998:420; Afrane 2000:9; Kellett and Tipple 2000; Ghafur 2002:39). Some activities claim different spaces for different elements of the work, e.g. home-made food that is prepared in the kitchen, but sold along the main road in a neighbourhood (Bose 2000:76). Furthermore, spatial patterns and use in HBEAs are affected by cultural norms and values. Research in Muslim countries, for instance, shows that women's confinement to the home, limits labour opportunities to this domain and determines whether women operate a HBEA, what type of products or services are offered and the division of labour applied (Kellett and Tipple 2000; Ghafur 2002:210).

The home environment of production and sales means that the neighbourhood is an important market for HBEAs. In the Bengal example of Ghafur (2000; 2002), 46 percent of HBEAs were selling only within the local neighbourhood and 31 percent to city establishments. Many sell to a fixed range of customers that knows where and how to find them (Tipple 2005b:622). Strassman (1987:131,135) argues that HBEAs with a market that is limited to the neighbourhood produce much lower incomes than HBEAs with markets beyond the neighbourhood. The location of the market is, in his opinion, at least as important as the type of product offered, and who sells it. The organisation of suppliers in HBEAs has been largely neglected in HBEA literature with the exception of Ghafur (2002:36) who shows that in Bangladesh only 18 percent of HBEAs draw supplies from within the neighbourhood and approximately 70 percent from city establishments. Furthermore, the South-African *spaza*-operators generally acquire products from wholesalers and the fresh produce market (Ligthelm 2005).

A final issue to be discussed is the degree to which HBEAs comply with existing rules and regulations. Not surprisingly, the overall picture is one of a high degree of informality. Afrane (2000:4) found that only ten percent of HBEAs in Kumasi registered with the Registrar General Department Office. The fact that 63 percent had registered with the municipal authorities was caused by fierce enforcement of these institutions. Typically, HBEAs are scattered over large areas and their informality is perpetuated by the fact many are invisible to outsiders and formal organisations (Tipple 2006:177).

6.2 Human Assets: Skills, Knowledge and Labour in HBEAs

The human domain in HBEAs includes the input and acquisition of skills, the input and organisation of labour, and the investment of time. In this study two different sets of skills are considered. The first set entails the technical skills needed to create the desired product or service, e.g. sewing, car mechanics, cooking or selling; the second are business skills such as bookkeeping, marketing, stock taking and price-setting that are needed for the organisation of activities. Presented below is an analysis of the level of skills used in the HBEA, as well as from where the skills have been derived. Labour is discussed in terms of the size of input in the activity and the source and payment of labour. Time is related to the input of labour time and hours of operation.

Technical Skills in HBEAs

Half of the HBEA-operators use technical skills at basic level without much specialisation. Examples of these types of skills are babysitting, hair braiding, or cooking simple foods. Skills such as these are widespread and more or less common knowledge, at least among women. Slightly less than a third apply skills that require a moderate degree of specialisation. These are skills such as sewing, car mechanics, and the preparation of more advanced food products. At this moderate level, people's capabilities do not stretch beyond a basic level of competency. For instance, they are able to sew but cannot design products or can do basic car repairs but no specialised handlings. The remaining 14 percent of HBEA-operators apply highly specialised skills in their HBEA. Skills include costume making, large-scale production of food and bamboo-crafts.

The level of skills used in Surinamese and Trinidad and Tobagonian HBEAs are similar. Other characteristics of HBEAs affect the level of skills applied in HBEAs. Not surprisingly, the type of HBEA and the degree of skill specialisation correlate.[114] Babysitters, hairdressers, retailers, and small-scale producers of snacks, make use of a 'basic level' of skills. In most car workshops, a few retail outlets, and among caterers and seamstresses, a moderate level of skills was deployed. I encountered highly advanced skills among craftsmen, management agencies and a few tailors and seamstresses. Other than the type of activity, the gender of the operator makes a difference. Female operators work with less advanced skills than male operators.[115] As the previous chapter showed, the gender

[114] Cramer's V is 0.71; significant at 0.00. However, because of low expected frequencies these statistical results are unreliable.
[115] Cramer's V is 0.30; significant at 0.00.

of the operator of an activity is associated with the type of activity that is promoted. Women more often engage in activities that are closely related to domestic and reproductive activities. Most have not advanced their skills beyond a basic level. A relationship exists between the vulnerability-ambition typology that was created in chapter five and the level of technical skills deployed in HBEAs.[116] Operators with a livelihoods-oriented ambition from a vulnerable background use basic skills much more often than the other three groups.[117] Highly advanced skills are more often mobilised by non-vulnerable than by vulnerable operators and, within this group, by business- rather than livelihoods-oriented operators. To conclude, basic skills are put forward by women operators, those from a vulnerable background with a livelihoods-ambition, and active in wide-spread activities such as small-scale production of food and snacks.

HBEA-operators learn skills from a large range of informal and formal sources. Informal sources include household members, neighbours, relatives or friends. More formal sources include schools, skill-training centres and on-the-job training.[118] The majority of HBEA-operators interviewed in this study relies on informally acquired skills and do not expand these after activities have started. Table 6.1 presents an overview of the sources the operators have learnt their skills from. A distinction is made on the one hand between HBEAs in Suriname and Trinidad and Tobago, and on the other between the sources responsible for the skills used when the HBEA started and, if applicable, those that provided skills, which were acquired at a later stage. The table brings to the forefront four main findings. First of all, this table makes clear that informal sources are the most important source for acquisition of technical skills. No less than 72 percent of the HBEA-operators have obtained their initial skills in this manner. The most important formal sources are traditional, e.g. schools and workplaces. Second, it shows that very few (ten percent) HBEA-

[116] Cramer's V is 0.25; significant at 0.05. However, because of low expected frequencies these statistical results are unreliable.

[117] 74 percent in this group and 39 percent, 58 percent and 44 percent of vulnerable business-oriented, not-vulnerable livelihoods-oriented and not-vulnerable business-oriented operators respectively, use basic-level skills.

[118] Chapter 3 gives a comprehensive overview of formal sources of learning. To summarize here, formal training is offered by secondary schools (LBGO/LTS in Suriname and Junior Secondary Schools in Trinidad and Tobago), NGOs (in Suriname for example NVB (National Women's Movement) and Projecta and in Trinidad and Tobago by Servol), government sponsored projects (in Trinidad and Tobago through the Ministry of Community Affairs and through the SAO in Suriname) and private schools or teachers. On the job-training and apprenticeships take place within factories (such as garment factories in Trinidad and Tobago) and in smaller workshops concerned with for instance jewellery, car mechanics, hair dressing or tailoring.

operators expand their technical skills after the initial start-up through input from outside. Instead, the large majority increase qualifications because they gain more experience in existing skills, or because they apply existing skills for a wider range of uses. Examples are the tailor who starts working with more vulnerable fabrics or the woman who expands her variety of traditional snacks, without learning other cooking skills. The third, and related, finding is that for skills acquired at a later stage, formal sources, including less traditional ones, such as NGOs and government-sponsored programmes, are more relevant. The final finding from this table is that Surinamese and Trinidad and Tobagonian operators acquire their first skills in a similar manner, but their secondary skills differently. At that point, in Trinidad and Tobago, where many more skill-training facilities are available, formal sources play a larger role, whereas in Suriname informal sources remain most important. Not surprising, the level of skills deployed in HBEAs is related to the source of learning.[119] Informal sources produce basic skills whereas more advanced skills are obtained through formal sources.

Table 6.1: Sources of first and second technical skills by country (in %)

		First		Second	
	Source	Suriname	Trinidad and Tobago	Suriname	Trinidad and Tobago
Informal	Household	59	61	50	0
	Family	2	7	25	0
	Community	2	0	0	0
	Friends/Acquaintances	7	5	0	0
	Subtotal	71	73	75	0
Formal	Workplace/apprentice	15	9	0	33
	Schools	10	9	0	0
	NGOs	2	2	0	50
	Government	0	2	0	0
	Private schools	2	7	25	17
	Subtotal	29	27	25	100
	Total	n=41	n=59	n=4	n=6

Cramer's V between formal/informal source, primary skills and country is 0.03; significant at 0.76

[119] Cramer's V is 0.43; significant at 0.00 for the primary skills and Cramer's V is 0.25; significant at 0.01 for the secondary skills. However, because of low expected frequencies these statistical results are unreliable.

Each type of HBEA demands a specific type of skills and for some HBEAs formal sources are more important than for others. This can be illustrated by the example of food-related HBEAs. Restaurant managers, some caterers and HBEA-operators, who produce and sell food from their premises, have learnt the skills from (grand) mothers and other close family-members. This group often makes traditional dishes, produces on a small scale, and sells within their immediate neighbourhood or social networks who will grade the product by the authenticity of the taste and the freshness of the ingredients. Examples of such products are *suck-a-bag*s, traditional cakes (e.g. *fiado*), cheese pies and *preservatives*. People with more formal training are able to offer a larger variety of products that include non-traditional products (e.g. wedding cakes, reception finger foods) at a larger scale (e.g. to stock wholesalers or provide at big parties) and are able to open up new markets beyond the boundaries of their immediate social network. Therefore, people who are planning to expand their business or would like to produce a niche product look for formal training:

> 'I started with the lessons from the lady. She lives in Commewijne [a district on the other side of the river Suriname] and she taught me the basic skills and from there I went on. Later, I did various courses like diner table decorations and things like that. I told you, my competition is fierce so I need to learn something extra: role fondant and icing flowers for example. It is my whish to really have a business form this work, to make it larger. You know, some people come to me and the first thing they ask is where you received your education. Ok, I have pictures from my work to show what I can do but I do not have a diploma. Some people do not trust you then. You find people here with diplomas from the USA, Holland, so they rather take them. I have experience but no diplomas. If I have done a job for someone, people often take me again because they know my taste and they know what I make.. but to get new customers is hard' (Esther, makes wedding and birthday cakes in Krepi, Suriname).

The source of learning of technical skills is related to the vulnerability-ambition-level of the operator.[120] The data show that a clear trend is visible. Vulnerable households rely more on informal sources (75 per cent) than non-vulnerable households (62 percent) and livelihoods-oriented operators more often on informal sources (82 percent) than business-oriented operators (57 percent). The source of learning is not related to the income derived from HBEAs, its role in livelihoods, or to the gender of its operator.

[120] Cramer's V is 0.28; significant at 0.05. Only a distinction is made between formal and informal sources.

Business Skills in HBEAs

In order to properly run a business, business development policies usually assume that operators require business management skills (bookkeeping, marketing, product pricing etc.). The data from this research confirm existing ideas that business skills play a minor role in HBEAs. The HBEA-operators themselves, in response to questions regarding skills needed for the business, only mentioned technical skills and say '*you need to know what you are doing'* in reference to business skills. No more than basic skills (counting money) are applied in 61 percent of all HBEAs. The others use more advanced skills (33 percent), such as basic cost calculation or making a cost and profit account. Highly specialised skills including future profit estimates and marketing plans are exceptional (six percent).The vulnerability-ambition typology of the operator plays a role.[121] Business-oriented operators use more advanced business skills. The gender of the operator is also slightly related.[122] Male or combined male-female managed HBEAs slightly more often use more advanced skills (64 percent of female-managed HBEA deploys basic business skills and 56 per cent of male or female-male combined management).

Less than a fifth (19 percent) of the HBEA-operators or anyone else involved in the business had received a formal training in business skills.[123] Business skills that have been learnt in conventional schools are limited to basic bookkeeping and do not include aspects such as marketing. Table 6.2 gives an overview of the sources where the HBEA-operator (or the person in charge of the financial matters in the HBEA) has learnt his/her business skills. The table confirms the informal acquisition of skills by HBEA-operators. Furthermore, the wider availability in Trinidad and Tobago (see chapter 3.4) of business courses through formal organisations, results in a larger percentage of operators that has followed a formal business skills training.

[121] Cramer's V is 0.39; significant at 0.00. However, because of low expected frequencies these statistical results are unreliable.
[122] Cramer's V is 0.22; significant at 0.04. However, because of low expected frequencies these statistical results are unreliable.
[123] Only two have extended their business skills at a later stage. This is not considered in this analysis.

Table 6.2: Sources of business skills by country (in %)

	Source	Suriname	Trinidad and Tobago
Informal	Household	71	64
	Family	10	3
	Friends/Acquaintances	12	5
	Subtotal	93	73
Formal	Workplace/apprentice	5	3
	Schools	0	12
	NGOs	2	10
	Government	0	2
	Subtotal	7	27
	Total	n=41	n=59

Cramer's V between country and formality of source of business skills is 0.25; significant at 0.01

Interestingly, most respondents do not mention that they missed formal training in their acquisition of business skills. Instead they applied a learning-by-doing approach. Despite the fact that many HBEAs seem to survive and operators seem to withdraw some profit from their business, the lack of skills does hamper further development of business because many do not know what the costs and profits are of their business:

> 'You know, I have so many business ideas in my head. But the lack of funds, proper organisation and proper management makes business harder for you' (Mark, shopkeeper and knitter of hats in Gonzales, Trinidad and Tobago).

> When Simon wanted to further develop his snack factory he decided to follow proper bookkeeping courses. In applying his newly acquired knowledge, he found out that his prices were too low to make a proper profit that would rationalise the investment he was planning to make. He decided to raise his prices (Simon, owner of a small snack factory, Gonzales, Trinidad and Tobago).

Organising Labour and Time in HBEAs

HBEAs are highly dependent on the input of labour, both for production and sale of items. For proper assessment of the labour input, a distinction needs to be made between hours spent on creation of the product and the hours HBEA-operators are available for their customers. Especially because of the multiple uses of the home, 'being open for sales' does not necessarily mean that labour hours are being invested in the HBEA. Two examples illustrate this:

> Rose, selling suck-a-bags in Krepi (Suriname), invests about four hours a week in production of her snacks. She however, is available for customers everyday between one and nine pm. Martha, also in Suriname, gets up at three in the morning to prepare the food she sells to children passing by her house on their way to school. She is busy until two in the afternoon but she only sells between 6.30 en 7.30 am and again after 12.30. In the

> first example, the woman is able to do her housekeeping or help her child with schoolwork during the hours she sells suck-a-bags. The woman in the second example however invests her time and labour during the 11 hours of operation solely on her HBEA.

This distinction is most visible for the shopkeepers. They spend time on buying stock, in case suppliers do not visit them at home, and on various chores in the shop (e.g. cleaning or weighing out pound bags of flour). By far the largest amount of time is spent on selling and waiting during their opening hours. Many shopkeepers, especially women, manage to do some domestic or reproductive tasks while awaiting customers. Shopkeepers usually maintain long and fragmented opening hours which do seriously limit the opportunity to develop activities outside the close vicinity of the home. Moreover, the combination of productive, reproductive and domestic activities results in very long and fragmented working days.

Due to the seasonality and irregularity in activities (see chapter five), and the difference between availability for work and the actual performing of labour, most respondents have difficulty to state the exact amount of hours they spend on making their products. More than half (62 percent) of the activities are performed part-time, meaning that less than 25 hours on a weekly basis is invested in the HBEA. The other 38 percent of the activities require more than this number of hours and are considered full-time operations.[124] In terms of opening hours, 45 percent always have someone around for the business, 42 percent part of the day, and the remainder (13 percent) do not stay at home for the business.

The variety in labour input is related to a few characteristics of the HBEAs. First of all the type of business affects this. Typical part-time businesses are the production of snacks or catering, and full-time activities are car mechanics and shop-keeping.[125] The vulnerability-ambition of the HBEA-operator also matters.[126] HBEA-operators with a business-orientation more often work full-time (62 percent) in their activity than those with a livelihoods-orientation (21 percent). The largest group of full-time workers can be found among business-oriented operators from a vulnerable background (65 per cent).

A closer look at the opening hours of the HBEAs shows again a relation with the type of activity.[127] Activities such as shopkeeping, car mechanics,

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[124] Please note that these hours are the total of all workers in the HBEA.
[125] Cramer's V is 0.67; significant at 0.00. However, because of low expected frequencies these statistical results are unreliable.
[126] Cramer's V is 0.43; significant at 0.00.
[127] Cramer's V is 0.48; significant at 0.01. However, because of low expected frequencies these statistical results are unreliable.

and restaurants demand that someone is present at home most of the time. Producers of snacks and seamstresses have to be available part of the day and have more freedom to perform activities elsewhere. The level of vulnerability, in combination with ambition of the operators, shows a relationship with opening hours.[128] The relation is less pronounced but similar to the input of labour time. Hence, also in terms of opening hours, working days for HBEA-operators are long and fragmented.

In the large majority of HBEAs one person is considered the main operator of the activity. This operator was always also the owner of the activity. In only 12 percent of the cases, at least two people shared ownership of the activity. The main operator(s) is responsible for the actual production of merchandise or provision of the service and usually takes the main decisions regarding the daily operation of the HBEA. Future developments of the enterprise and major financial decisions are usually discussed with household members and friends. Nevertheless, unless money from others is involved, the main operator takes the final decision. Usually, the 'manager' brings in most labour and is financially in control of the HBEA. In 63 percent of cases, only the owner(s) of the HBEA works in the business and another 31 per cent draws only labour from within the household. Household members perform fixed tasks, e.g. they may watch the shop for a couple of hours each day, do the administration, or assist the main operator with specific tasks, such as cutting vegetables for pies or feeding babies. Hence, no more than six percent of the HBEAs employ people from outside the household. Business-oriented operators, especially non-vulnerable ones, draw labour from outside the household.[129]

Paying for labour is an exception. Only 13 percent of all HBEAs work with paid labour. This is the labour drawn from outside the household with a few workers added from inside the household. This means that 87 percent of the HBEA-operators do not pay for labour used in activities. The unpaid labour is enumerated through payment in kind but mostly through reciprocal arrangements. The labour of HBEA-operators themselves is also not paid for. The 'profit' of the HBEAs, i.e. the money left after deduction of the costs of running the activity is used by the operator for private consumption. However, its size is not related to any prescribed standard or local practice of fair payment and often directly channelled towards household expenses or a bank account. Business-oriented operators more often use paid labour than livelihoods-oriented

[128] Cramer's V is 0.30; significant at 0.00.
[129] Cramer's V is 0.28; significant at 0.01. However, because of low expected frequencies these statistical results are unreliable.

operators (two percent versus 29 percent[130]). Especially invulnerable business-oriented operators use paid labour (38 percent).

Children assist with many HBEAs that I have examined. These are always children living in the household. They may sell products created by a parent, or assist them cutting threads from garment. The work done by children is often, but not always, unpaid. HBEA-operators explained that their child's participation in HBEAs is important to keep the business going but also that they felt it is important for children's education to learn to do business and develop skills:

> '[the children help me] a lot. They are part of my investment. When school is open I do not pressure them into it. But when jobs come in I do ask them. Actually my 11-year old daughter got me into this. I was asking friends over to help me and I will pay them. She said to me: "mummy, we can do the same thing and you can pay us and you can pay us less than you pay them". I allow them to learn the job and I pay them. I allow them to learn how to save. I do not really want them, well I would like one of them to take on the trade that I have taken, but it should not be as hard for them as it took me to get where I am now' (Selma, mother with two children, aged 9 and 11 years, catering in Gonzales, Trinidad and Tobago).

The assistance of children is, according to the respondents, limited to after school hours, holidays and weekends. My observations in the community during school hours confirm this.

6.3 Financial Assets: Investment and Financial Management

Investment in HBEAs

Size and Sources of Start-up Capital

Starting an HBEA requires some financial input. Every HBEA-operator in the research made some financial investment. Many, though, did not know the exact size of these investments. First of all, people had problems remembering the size of investment they had made and had not kept a record. More important, though, is the systematic omission of costs by the operators. First of all, and quite common to micro-enterprises in general, entrepreneurs may have collected or been given utensils and tools over the course of time, for instance at a working place. When they mobilise these in their newly starting HBEAs, they cannot remember the costs or do not consider it to be an investment because 'I already had them'. Examples are seamstresses or tailors that start an HBEA by using a given sewing machine or a jeweller who uses equipment he bought when he was

[130] Cramer's V is 0.40; significant at 0.00.

working for another jeweller. Second, and typical of HBEAs, is that they use tools, utensils, machinery, infrastructure, and space otherwise used for reproductive or domestic tasks within the private household. The costs to acquire these (as well as to use them) are excluded by HBEA-operators when discussing their investments. However, the operators do acknowledge the value of these items in enabling the start-up and operation of their HBEA because it reduced the costs they had to make to start their activity.

Due to the lack of accurate data, I have made use of a classification of investments, based on the description of respondents but including (an approximation of the) costs of tools and equipment mentioned by respondents as something they already had. This classification is shown in table 6.3. The table shows that the diversity in terms of investment between HBEA-operators is large and that for a sizeable group, initial investment has been fairly limited.

Table 6.3: Size of 1st investment by HBEA-operator typology (in %)

	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
<US$ 100.	62	31	68	44	52
US$ 101-500	26	19	21	13	21
>US$ 500	13	50	11	44	27
Total	(n=39	n=26	n=19	n=16	n=100

Cramer's V between HBEA-operator typology and size of investment is 0.29; significant at 0.01

The vulnerability-orientation typology is related to the size of investment. Business-oriented HBEAs invest more than livelihoods-oriented operators; but especially the vulnerable business-oriented HBEAs invest larger sums of money. In this group, HBEAs are included that provide the sole income to a household and those activities may have required relatively large investments. Small differences were found between the size of initial investment in HBEAs and the city where the HBEAs and their households live.[131] The image arising from this analysis is that higher investments are done in Paramaribo than in Port of Spain. Taking into consideration that Trinidad and Tobago has a generally more buoyant economy, this is quite surprising. Nevertheless, differences are small. The diversity in the size of investment is not explained by the gender of the operator. Women make similar sizes of investment.

[131] Cramer's V is 0.26; significant at 0.04.

In order to further colour this picture we have analysed the sources people use to acquire their initial capital for investment. Table 6.4 gives an overview of the large diversity of sources used by the various operators to finance their first investment. The main fact drawn from this table is that the majority of HBEAs use own funds for their first investment. A second important source is the informal network (especially family). Donations from family members within the household consist of money to buy a first stock for the shop. Many other family members live abroad in The United States or in The Netherlands. They may donate a sewing machine or send money to buy utensils or a deep freezer. A small group of seven HBEA-operators in this research used a bank loan to start a business. In Suriname, where few other formal financial institutions exist, it is the most frequently used formal institution for first investments. In Trinidad and Tobago, hire-purchase is the most often used formal source of finance, followed by commercial banks.

Table 6.4: Sources of 1st investment by country (in %)[132]

	Source	Suriname	Trinidad & Tobago	Total
Own	Own savings	83	88	86
Informal	Donation household members and family	32	15	22
	ROSCA	0	5	3
	Loan family	12	5	8
	Moneylender	13	9	10
Formal	Loan bank	12	3	7
	Loan credit union	2	0	1
	Loan micro-finance institution	2	2	2
	Hire-purchase	7	9	8

Cramer's V between formality source and country is 0.29; significant at 0.04[133]

Consequently, HBEAs in Port of Spain less often use formal institutions. When we exclude those HBEAs that rely *solely* on their own investments, 33 percent of the remainder in Paramaribo and 22 percent in Port of Spain use formal institutions. The picture emerging now is that HBEAs in Trinidad and Tobago not only rely on smaller investments but also more often exclusively on savings and less on formal organisation or social networks.

[132] Here, it is possible that more than one source is used; hence the total is more than 100.

[133] The relation has been calculated between country and the formality of the source: exlusively informal, formal and informal, and exclusively formal.

The categorisation of sources of investment is also (slightly) related to the gender of the HBEA-operator.[134] Female operators do rely less on their own investment (48 percent versus 78 percent) than male operators. However, out of the remaining men and women, similar percentages use formal and informal institutions. The idea that men can more often mobilise private sources than women is thus confirmed by these findings. Interestingly, among men the source of funding is not significantly related to the size of investment, as is the case among women.[135] In other words, whereas women that mobilize their own funds usually start off with small investments, men using this source are able to also invest larger sums. The source of funding is not related to the vulnerability or business-orientation of HBEAs. These findings confirm what also became clear from the interviews. Most people prefer to use their own sources to start up activities.

Business Expansion and Secondary Investments

The small sums of money initially invested in HBEAs are really meant as a start-up. To further develop HBEAs more financial inputs are needed. Many operators try to have the HBEA itself generate the money to expand or sustain the business. The two examples below show how HBEA-operators manage to sustain and expand their businesses:

> '[Question: to get from selling suck-a-bags to this, what did it take, how did you do it?] Well, everything gets a little bigger. What really happened is this: I started to sell suck-a-bags and cigarettes and so on. Well, with the little interest, I started to buy a little pack of sweeties and biscuits, just what people were asking me to sell to them. Every time, I bought a little more. And then I borrowed a bit of money from my sister and then I had a little stock, like sweet drinks, and started making a little juice and sandwich et cetera. And then I got ahead' (Sandra, manages together with her daughter a parlour and sells home-made fast food in the weekend, Gonzales, Trinidad and Tobago).

> 'So I started small, I started with 125 TT [US$ 20] only. But you see, I never spent my money. Every time I make money, I used the money to reinvest [in the business]. My wife was working at a store at the time, you know. So, this is the fourth year in the business and we now start to have what you call a profit. Cause before, we buy machines, we buy tables, fans, build the building, fryers. And that was because we reinvested the profit back in the business. So for almost three years we had no profit to hold on to' (Simon, exploits workshop for production of snacks in Gonzales, Trinidad and Tobago).

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[134] Cramer's is V is 0.27; significant at 0.03. However, because of low expected frequencies these statistical results are unreliable.

[135] Cramer's V is 0.62; significant at 0.00.

HBEA-expansion processes such as these are time-consuming, i.e. it takes quite some time before economic activities generate income for consumption. In the meantime, other incomes have to sustain the immediate consumption needs of the household. This means that HBEAs that need to feed a household immediately are at risk of dissolving quickly or remaining at a start-up level:

> 'Last year, I restarted and I stopped again, You know like, where the money is concerned, you sell and you have the money there but when you now see the cost of living, you have to use that money to do something else. So that money to return to the business end up being squash…You need a job to be able to have this business. If you do not have a job, you cannot do it again. It works like that' (Marianne, used to sell cigarettes and soft drinks from home and pies door-to-door in the community, Gonzales, Trinidad and Tobago).

Only 44 percent of the HBEA-operators have invested additional funds in their business. The size of these secondary investments is remarkably higher than that of the initial investment: 45 percent invests more than US$500 and 20 percent less than US$100. Whether and how much households reinvest in their HBEA is related to HBEA-characteristics. Country of operation does not play a role in this. Furthermore, women more often make no additional investments and in case they do, the size of investment is lower than that of men.[136] Finally, operators from a vulnerable background with a livelihoods-orientation most often make no additional investments, whereas those from vulnerable backgrounds with a business-orientation most often make secondary investments. Business-oriented operators from non-vulnerable households most often invest more than US$500.[137]

Table 6.5: Sources of 2nd investment by HBEA-operator typology (in %)

	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
Own only	10	12	38	0	14
Informal	80	35	50	33	48
Formal or formal & informal	10	53	13	67	39
Total	n=10	n=17	n=8	n=9	n=44

Cramer's V between HBEA-operator typology and source of 2nd investment is 0.40; significant at 0.03

The above picture is confirmed when the sources of the secondary funding are taken into account, excluding HBEAs with no additional investments (see table 6.5). This shows that also for secondary investments, informal sources are more important than formal sources. It also shows that, with the exception of invulnerable households with a

[136] Cramer's V is 0.25; significant at 0.05. However, because of low expected frequencies these results are unreliable.
[137] Cramer's V is 0.62; significant at 0.02.

livelihoods-ambition, private sources are insignificant. Formal sources are more important for business-oriented activities and informal sources extremely important for the vulnerable livelihoods-oriented activities. Again, a strong relationship exists between the size of the investment and the source of funding with higher investment mainly coming from formal sources.[138]

The next table (6.6) more clearly shows the variety of sources used for secondary investments by country. Since formal sources play a more important role here, each will be briefly discussed in turn. In Suriname, where few other formal financial institutions exist, banks are the most frequently used formal institution (ex aequo with hire-purchase (HP)). In Trinidad and Tobago, they rank second. Although some credit unions (CUs) do provide business loans, only one large HBEA has used their services. Most other HBEA-operators use credit unions for saving purposes, or to take out a personal loan.

> An interesting example in this case is the story of Sandra (Gonzales, Trinidad and Tobago). She is a single parent, has squatted the land where she lives and her only income comes from the parlour she and her daughter operate. By saving 'a bit from every penny I earn', in shares with a CU, she has been able to build substantive savings and a high frequency pattern of savings. Though lacking collateral and a formal job she has been able to take a personal loan from the credit union to buy a freezer for her shop.

Based on the fact that requirements of CUs are less demanding than those of banks, one would expect CUs to be more frequently approached for loans by HBEA-operators than banks. However, this is not the case as only one percent uses them for a first investment (and another four percent for a second investment). When taking only Trinidad and Tobago into consideration, one notices that CUs are more popular source of finance for secondary investments. Then, the HBEAs have generated capital, which is saved with CUs.

Two percent of HBEA-operators use a loan from a micro-finance organisation (MFI) for their first investment (one in each country) and 14 percent of the reinvesters (all in Trinidad and Tobago) took out a loan from a MFI. This made it the most important formal financial source in Trinidad and Tobago. Considering the latter finding, one could definitely state that micro-finance institutions do respond to a particular demand among HBEA-entrepreneurs. Yet, this is a small group only. A last (semi-) formal institution to be discussed here is HP. The lack of attention to this source of credit is quite surprising, considering the relatively important role it plays in the lives of HBEA-operators. With eight percent of the

[138] Cramer's V is 0.61; significant at 0.00.

operators using this source for a first investment and 13 percent for reinvestment, it is the most important (semi-) formal financial institution. The use of HP for strictly private investments is most likely much higher.

Table 6.6: Sources of 2nd investment by country (in %)[139]

	Source	Suriname	Trinidad and Tobago	Total
	No additional investment	54	37	42
Own	Own savings	68	83	77
Informal	Donation household member/family	32	17	23
	ROSCA	11	24	19
	Moneylender	0	0	0
Formal	Loan family	21	3	10
	Loan bank	11	10	10
	Loan credit union	0	7	4
	Loan micro-finance	0	14	8
	Hire-purchase	11	14	13

Financial Management in HBEAs

One of the core elements of the organisation of businesses is the financial management. The mixing of household and financial budgets and the lack of proper cost accounting and bookkeeping are key characteristics of the financial organisation of micro-enterprises in general, and HBEAs specifically (Ligthelm 2005). The lack of proper financial management is considered one of the main causes preventing growth and development of enterprises or creating business failure altogether. Here, I discuss three elements of financial organisation, i.e. the cost calculation/price-setting mechanism, how the household and HBEA-budget are connected and the degree of bookkeeping.

Cost Accounting and Price-Setting Mechanisms

HBEA-operators use around three different systems of price-setting. Some use only one, but others may use more mechanisms. The first group, especially retailers, follows the advice-prices of suppliers or the government. Both in Suriname and Trinidad and Tobago, a limited list of primary goods is subject to government price-control. In practice this means that they have to be sold for a specific price or with a (limited) profit margin. These are elementary products such as flour, pies, sugar and tea. In addition, local manufacturers of soft drinks, bread and snacks have a fixed price for which their products need to be sold, although, it may technically be only advice. Enforcement is low but as local customers usually know what prices are supposed to be and HBEAs operate in a

[139] Here, it is possible that more than one source is used; hence the total is more than 100.

highly competitive field, deviation from these prices is risky. Many retailers therefore comply with advisory prices and profit margins.

The second method of pricing is based on perceptions of competitiveness and reasonability. Prices are set at the same level as the competition sets theirs or at a level considered reasonable within their neighbourhood. The mechanism applies to seamstresses, for example, who ask a price for producing a shirt that is similar to what other people ask or shopkeepers that sell 'retail', i.e. a small quantity such as a single cigarette or candy for a set amount. A frequent expression in Trinidad was 'everybody has a dollah, so you make it a dollah'. This type of motivation also impacts on the prices of snacks, such as popsicles and pies, or babysitting:

> 'Their mothers are working in on-the-job training and they don't make no set of money. I want to help them, so I ask them TT$10 [US$1.67] a day' (Sarah, upholsterer and babysitter in Mount d'Or, Trinidad).

> In Suriname I met Karen, who sells snacks to schoolchildren. She sells a small portion of fried rice (nasi) and chicken for SGL1000,- approx US$0.33 and that is her most expensive product. Breakfast at her place therefore is cheaper than having one at home! She feels she can't ask more because 'it is schoolchildren, you need to consider that'.

Both of these price-setting methods do not take costs into account, which makes conducting business rather tricky:

> Marlena lives on top of a hill in Mount d'Or. The top can only be reached via a very steep lane which is inaccessible for motorised transport (and quite a challenge for pedestrians as well). Delivery services of manufacturers cannot reach her, forcing her to carry her purchases from down the hill or pay someone to do that for her. She is reluctant to include those costs in the price she asks: 'Things have a set price and the people complain if you ask more'. She also sells tanks of cooking gas. On the morning the truck selling these tanks is supposed (!) to come, she pays someone to bring the empty tanks down the hill and then sits and waits for the van to come. She buys tanks straight from the truck and pays someone to carry the full tanks up. The costs she makes to get one full tank in her shop are TT$23 which is TT$5-7 less than what people would pay if they have to go to the grocery store down the road and get it from there. Please note, that it is only if the truck shows up, otherwise her costs are much higher since she has to carry the tanks up and down twice. Marlena has decided to sell the tanks for TT$25 because, she says, that is what the neighbourhood is willing to pay up there.

The third and final method of price-setting is based on costs involved in making the products. However, the costs included are usually not complete. The operators have a fairly good knowledge of the costs they make for their raw materials or stock. Other production and selling costs however, (e.g. utilities or transport) are not always included. Moreover,

depreciation of the costs of tools and machinery and space is, with a few exceptions, never included although some operators do save to be able to cope with such expenses. Similarly, the capital invested in the house is taken for granted and not seen as part of business liabilities. As said in the previous section, the costs of labour are hardly ever being assessed as such. People who provide services such as car mechanics, seamstresses or hairdressers usually ask 'something for their time'. Others though, label what is left after they have identified the costs of raw material, to be their profit, without considering their labour costs.

The fact that the business and the household share the same space, tools, utility services and time, fosters this 'neglect' of costs. However, the HBEA-operators would not consider this neglect or an omission. The fact that the facilities are there and costs covered by the household, is a reason to operate a business from home. Not having to pay for space to work and being able to earn some money while performing reproductive tasks, is considered a saving, even a condition for making their business 'profitable'.

The next aspect of the financial organisation of HBEAs is the conflation of household and enterprise budgets. There is hardly ever a complete separation between the household budget and the HBEA-business. The conflation of the budgets among the respondents of this research can take different forms. First of all, HBEA-operators, especially retailers, take products from their shops for their personal use. Most take notice of this and try to refund the product at one time. For them, 'knowing what to do' is making sure that 'eating your own stock' does not mean one has not enough funds to restock left. Others though, consider the fact that they have paid for the stock already, enough reason to use their merchandise for private consumption. A next shape of conflation exists when household budgets are used to pay for (urgent) expenses of the HBEA and the other way around.

> An extreme, but not exceptional, example of this is from Linda. She lives in Gonzales, Trinidad and Tobago, with two of her children and two stepchildren. She lives off money that her father gives her every week and her (ex) husband every two weeks. Furthermore, she has an occasional job that provides her with some cash. She has many debts and takes new debts to pay off old ones. When she receives her fathers' allowance, she goes downtown to buy snacks and juices that she sells from her house. She literally states that 'the money from selling is what gets us through the week'. In practice this means that all expenses, be it food or the school bus that need to be paid for during the week, are paid from the revenues from the sales.

In this case, the two budgets are completely mixed. In other cases, the conflation is subtler. Often for example, (urgent and recurring) household

expenses are paid from the money the HBEA has made, after subtraction of the costs (to the extent they are acknowledged). The fact that people do not pay themselves fosters these patterns. Household budgets on the other hand, pay the costs of utilities, tools etc. The majority of entrepreneurs do not take consideration of the full costs involved operating their HBEA or properly separate their household and HBEA-budget. However, a small group does. What these businesses have in common is that their operators have expressed the ambition to develop their enterprises beyond the stage they are at now.

Bookkeeping and Budgeting

The absence of proper bookkeeping skills is the last characteristic of the financial management of HBEAs. Entrepreneurs, it is argued, often do not keep records and so have no idea what the performance of their activity is or how it has developed over time. The data in my research only partly confirm this notion. Indeed, the largest group, 53 percent, does not keep a record at all. This group has but a rough idea of day-to-day performance and the income generated by their HBEA and is completely in the dark on the development of their activity over time. However this means that almost half the HBEA-operators do keep some sort of record. Of all HBEA-operators, 16 percent keeps a record on a regular basis confirming the idea of a (single-step) income statement, i.e. including the incomes and expenses. They write down their expenses (not necessarily complete but more extensively than only related to materials inputs) and the revenues of their HBEA on a monthly basis, for instance. These operators have a rather good idea of the incomes their activities generate and the development of their activity over time.

Almost a third (31 percent) has developed their own bookkeeping system, which holds the middle between not keeping any form of record and a fully-fledged one. Shopkeepers, restaurant owners and producers of snacks in particular develop alternatives systems. Since the continuation of business for this group requires stock and raw materials, they write down what they spend on suppliers, and budget their money in such a way that on the days they need it, enough money is readily available to pay suppliers. An Indo-Trinidadian shopkeeper in Mount d'Or, for example, used the revenues of her Monday sales to pay the bread and soft drink seller on Tuesday, those of Friday go to a wholesaler on Saturday and those of Thursday are put aside to bring to the bank to save. Some shopkeepers take a different pattern and save a set amount of money in a ROSCA and when they receive 'their hand' use the money to restock the shop. Others count their funds by the end of the week, deduct their expenses for raw materials and put that aside to renew stocks. They will use what is left to pay for daily (household) expenses when needed and save the rest. For those that have no other income than their HBEA or

find that there is usually nothing left to save, ROSCAs or storing up the quarter-coins (only in Port of Spain) is an alternative method for saving.

The above description of the three budget/bookkeeping systems confirms that only a small group of HBEAs follows widely accepted bookkeeping rules. Interestingly, this is not related to whether or not people have followed official training in bookkeeping (see section 6.3.2.) meaning that knowledge of bookkeeping and budgeting does not mean that HBEA-operators do implement these in their activities:

> 'Well, I took two small business courses. One in Barataria and one in St. Juan; the small business people was giving the course. You were taking notes, like: how to make this, how to make that and how you will put it out to sell, how you sell, how you should sell to make money and how you should do with money and how you should do to make your business grow. I know how to go about it, if I did not do the course I might not have known how to do that now, so yes it really has worked!! I know how to handle it now. [Did they teach you things like bookkeeping?] Yes but my daughter does it!' (Sandra, shopkeeper in Gonzales, Trinidad and Tobago).

I would argue here that it is not a lack of knowledge as such that prohibits the use of regular bookkeeping and budgeting skills but that it is related to the three aims that the HBEA-operators have with their financial management. The first thing they want to realise is continuation of the activity, meaning having money to service machines and pay for stock and raw materials. The second aim is to have direct access to money for consumption. This can be for emergencies or for more repetitive expenditures. A third aim of the budgeting, for some, is to be able to save something for a substantial investment, such as improvement to the house or education for the children. In other words, a financial management system should be there to sustain the business and support the livelihoods. Only a small group of operators has the financial aim to have the proper report for the Inland Revenue or the motivation to have their business grow and convince potential investors. Not surprisingly, there is a relation between the vulnerability-ambition of the owner and whether or not they keep records.[140] Livelihoods-oriented people most often do not keep any sort of record and the non-vulnerable ones least often keep records. Formal record keeping is done among vulnerable business-oriented operators. The non-vulnerable business-oriented operators most often come up with their own system.

[140] Cramer's V is 0.35; significant at 0.00.

6.4 Productive Assets: Space, Suppliers and Markets

HBEA and Space

All HBEA-operators demand some space from within their house or surrounding yard. Furthermore, they share utilities such as water and electricity with household use.[141] Obviously, the type of activity carried out shapes the demand for space and utilities.[142] Shopkeepers, for instance, need storage space and a place where visiting customers can come and babysitters need a location for babies to take a rest. Furthermore, the size and characteristics of the land as well as space within the house, affect the spatial use of HBEAs. Almost half (49 percent) of the HBEAs is located mainly in a space that is not designated primarily for the HBEA. This means that the space is simultaneously used for other purposes or converted to enable other functions. Examples are kitchens where caterers prepare their products but also meals for the household, or the living room where garment producers sew while others watch television. The other half of the HBEA-operators has either a designated space within the house (ten percent) or predominantly works from a separate location on the plot and occasionally outside the plot (41 percent).

Table 6.7: Spatial use in HBEA by HBEA-operator typology (in %)

	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
No designated area	72	27	53	25	49
Designated in the house	3	15	16	13	10
Outside house	26	58	32	63	41
Total	n=39	n=26	n=19	n=16	n=100

Cramer's V between HBEA-operator typology and spatial use is 0.30; significant at 0.00

Shopkeepers, for instance, have a shed, ranging from a wooden shack to a permanent concrete construction, on their plot or attached to the house from where they sell, and car mechanics use a covered space next to the house. Female operators much more often use a shared domestic space for their HBEA than male or combined male-female HBEAs but, again, this is strongly linked to the type of activity carried out.[143] In table 6.7 the relationship between the spatial use and vulnerability-orientation of

[141] Utility services in both countries have special provisions (and tariffs!) for commercial activities and household use. Where possible, HBEA-operators stick to the much cheaper household tariff.

[142] Cramer's V is 0.64; significant at 0.00. However, because of very low expected frequencies these statistical results are unreliable.

[143] Cramer's V is 0.26; significant at 0.00. However, because of low expected frequencies these statistical results are unreliable.

operators is shown. It shows that HBEA-operators with a business-orientation work mainly from designated spaces whilst vulnerable livelihoods-oriented operators more often compete for space with domestic uses.

Many HBEAs use more than one space. Multiple spaces are used especially where production and sales are carried out. Snack sellers, for instance, use their kitchen for production but may put a table, glass box at the front of their plot, or even go to the main road in neighbourhood and sell from there. In the Port of Spain communities of Mount d'Or and Upper Gonzales where hilly and steep roads connect only a few houses, local markets are small and the inaccessibility of houses, further reduces market possibilities. The outline of the community thus affects this (cf. Ghafur 2002).

HBEAs and Supplies

Keeping supplies at a sufficient level is one of the greatest challenges faced by the men and women of this research. It is especially pressing for retailers and producers of food. Others, such as mechanics, seamstresses and hairdressers, may require customers to buy car parts, fabric or hair themselves and do not have to keep that in stock. Adequate stocking is difficult because jobs come in irregularly and demands for supplies vary considerably. Furthermore, operators often lack the exact knowledge on turnover and profits of their HBEA and therefore have difficulty managing their budget in order to have funds to keep stocks at an adequate level. Finally, HBEA-operators regularly use supplies or money of the HBEA-budget to meet (urgent) household needs or mix the HBEA- and household budget altogether. These factors make proper stock keeping a challenge for many operators. The penalties for not being able to put up stock are fierce. First of all, in an environment of competition, in case a parlour runs out of stock, customers will move to the next parlour to buy the missing product and everything else they need. If this happens frequently, parlours may loose customers to their competitors permanently. Second, if an HBEA-operator has no money available to buy ingredients for a cake, she may have to turn down a job-offer. An operator described how he did not have enough fabric to produce enough bags to meet the demands of wholesalers, and as a result cannot beat competition and make his business into a success. Finally, not being able to 'buy back goods' in order to keep the business running, no matter how small the business, is the main reason for their failure. The first and main priority in HBEAs financial management therefore is to be able to buy back goods and, if possible, stock up.

The majority (80 percent) of HBEAs only rely on supplies provided by formal channels, such as the fresh produce market, wholesalers or producers such as Kiss Bakeries in Trinidad and Tobago, or Fernandes in Suriname. The shopkeepers predominantly rely on these sources, although they may occasionally (and often irregularly) sell vegetables from family members' harvest or corn crisps produced by someone within the community. A small group of nine percent only uses informal sources, consisting of two distinct groups. The first group entails people within the immediate social networks of respondents. For example, this is the case with a woman who receives clothing from her sister in the USA to sell in Gonzales, Trinidad and Tobago and whose husband, living in St. Vincent, sends her all material, except for the fabric, she needs for her drapery-workshop. Other informal sources are, for instance, farmers who sell directly to producers. A last group of 11 percent uses both sources in a more or less equal way. One respondent in Krepi, for example, makes juices from the fruit an acquaintance of his gives him, or sells him cheaply. The bottles and all other ingredients for the juice (mainly sugar and 'essence') are bought from different local shops. The statistical relationship between the source of suppliers and independent characteristics of operators, their households or HBEA are weak and difficult to interpret. However, the image arising is that the use of informal sources is most important for households that are vulnerable but business-oriented and non-vulnerable livelihoods-oriented.

HBEAs and Markets

The products and services that HBEA offer, mostly find their customers within the immediate social networks of the operator, i.e. family members, neighbours, friends and acquaintances. Most have similar social and economic characteristics. Only a quarter of all HBEAs have customers who are at a larger distance within their social network or are not part of their social networks at all. Related to this, the majority of HBEAs' customers live in the same neighbourhood as the HBEA-operators. Slightly less than half (45 percent) only sells to neighbours, a third have customers from inside and outside the neighbourhood and the remaining 21 percent only from outside the community. Despite the fact that 55 percent of the enterprises attract customers from outside the community, only 19 percent of HBEAs-operators leave the community to sell their products.[144] These are for example caterers, who prepare products at home and provide home-delivery to their customers or large managements agencies that run an office from home but provide the services for their clients elsewhere. The HBEAs that reside and work from

[144] 81 percent only sells from home and five percent sells from locations inside and outside the community.

home but have customers from outside the neighbourhood are, for instance, restaurants along the main road that sell to taxis or other passers-by, or seamstresses and car mechanics that meet their clients in their home location. Thus, the overall picture is that the clientele of HBEAs is highly localised and part of the immediate social networks of the HBEA-operator.

The type of markets HBEAs access is a result of various characteristics of the HBEAs and their owners. First of all the statistical analyses show a strong significant relationship between the type of products offered and the social and geographical origin of the markets.[145] Those HBEAs offering products that concern a local demand, such as parlours or traditional snacks, mainly draw their clientele only from within the neighbourhood. Products that are more specialised and do not necessary respond to a local demand (such as seamstresses or car mechanics) are able to draw customers from beyond the neighbourhood as well. This also applies to producers of more specialised products such as crafts, large scale production of food or management agencies.

The location of the market is also related to the gender of the operator with more female operators selling only to neighbours (56 percent) than strictly male or a male and female managed HBEAs (28 percent and 29 percent respectively).[146] The type of HBEA explains this relationship. 'Typical' women's activities are focused at a local market, more so than activities carried out by men.

Table 6.8: Relation HBEA-operator & customer by HBEA-operator typology (in %)

	Vulnerable livelihoods	Vulnerable business	Not vulnerable livelihoods	Not vulnerable business	Total
Only immediate social network	90	61	79	56	75
Beyond immediate social network	10	39	21	44	25
Total	n=39	n=26	n=19	n=16	n=100

Cramer's V between HBEA-operator typology and relation to customer is 0.32; significant at 0.02

The geographical location and social characteristics of the market are not statistically related to other independent factors (such as country, neighbourhood, and ethnicity) but are related to the vulnerability-ambition typology (see table 6.8). The customers of livelihoods-oriented HBEA-operators consist of people from their immediate social networks.

[145] The relation between the type of products and social relations with the customer: Cramer's V is 0.70; significant at 0.00. With geographical location Cramer's V is 0.67; significant at 0.00. However, because of low expected frequencies these statistical results are unreliable.
[146] Cramer's V is 0.27; significant at 0.03.

Furthermore, HBEA from not-vulnerable households sell slightly more beyond their immediate social network.

Many HBEAs offer a similar range of products and fish in the same small pool of customers and demand. In the street going to a primary school in Nieuwweergevondenweg, Suriname, for instance, no less than seven households produce and sell snacks and food to schoolchildren. They all sell more or less the same type of products. In Upper Gonzales five parlours serve groceries, drinks and snacks to the small community. This severe competition has resulted in a loss of turnover for the early starters and decreasing prices for all involved in the activities.

Degrees of Organisation

The above analysis has examined the organisation of HBEAs in terms of the use, input and source of human, financial and productive assets. In each domain multiple indicators have been discussed along two dimensions: the size (low-high) and the degree of (in)formality of the source of input. These two dimensions are often related: for example, low financial investments are drawn from informal sources. The sample of HBEA-operators in this research moves along the scales of these dimensions and if one would draw a picture of their way of organisation, two distinct patterns emerge. One extreme is characterised by low input of time and labour which is drawn from within the household and unpaid. Furthermore, basic technical and business skills are applied that have been learnt from informal sources. Few investments have been made, only at the start-up and preferably from personal budgets; financial management is absent or very basic. Spaces used in the activity are often shared with domestic uses and the market is located close to home and consists of people from the immediate social network.

At the other extreme, one finds HBEAs that rely on high inputs of time and labour, including external and paid labour. Skills are more advanced and have been acquired and maintained through courses from formal institutions. Multiple investments of considerable size have been made and formal institutions have been used. Financial records are kept. Markets are more diverse and extend beyond the immediate home and neighbourhood as does the use of space. The variety in organisation of the HBEAs of this research stretches the entire range between these extremes. Nevertheless a majority, 56 percent are positioned at the lower end of the scale, 37 percent at a moderate level and only seven cases are highly formalised.[147]

[147] A crude analysis has positioned the scores on each individual indicator between 0 and 1 and subsequently summed the scores. This range (scores

The literature review that was presented at the introduction of this chapter, sketches a portrait of HBEAs that is similar to what the sample shows in Port of Spain and Paramaribo. The overall picture is one of small activities with little input of skills and capital, and reliance on informal sources. Nevertheless, within the overall picture variety does exist and more advanced organised activities are not exceptional. The overall degree of formality and size within the organisation indeed show a significant relation with the vulnerability-ambition typology but when the distinction is only made according to business-orientation the relationship becomes even stronger.[148,149] This suggests that orientation is relatively more important. Women's HBEAs are often organised less formal, with lower input of assets and are more integrated within household domestic and reproductive activities.

6.5 Patterns of Organising

The question I raise in this paragraph is to what extent different patterns of organising (of the factors previously discussed) are related to other HBEA characteristics. Through the above sections, indicators of organisation have been related to characteristics of the HBEA (type and location) and its operator (gender and vulnerability-orientation). The graph below portrays the scores of the groups in the vulnerability-orientation typology on the indicators of HBEA-organisation (figure 6.1).[150] I have used the following method to determine scores. The score of an operator on an individual indicator (e.g. use of space or size of primary investment) has been positioned on a scale from zero to one. Where the *size* of input is considered (e.g. size of investment, time, skills) zero represents a low input and one the highest input. Where the *source* of input is considered, zero represents an informal source and one a formal source. Finally, where *distance* is considered (e.g. space or location market) zero represents low distance from the house and one large distance from the house. Scores in between these extremes (middle-size input or a semi-formal source or moderate distance) have been given a score between zero and one). Multiple indicators related to one asset, e.g. the source of learning skills and the level of skills used, have been combined and the mean score has been calculated. Subsequently the mean scores for various groups on the distinguished assets have been plotted graphically in a web. As a result, clear distinctions in organizational patterns between groups are visible. Hence, the goal of these graphs is not to determine absolute

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between zero and 15) is divided in three groups: low scores, middle-range scores and high scores.

[148] Cramer's V is 0.41; significant at 0.00.

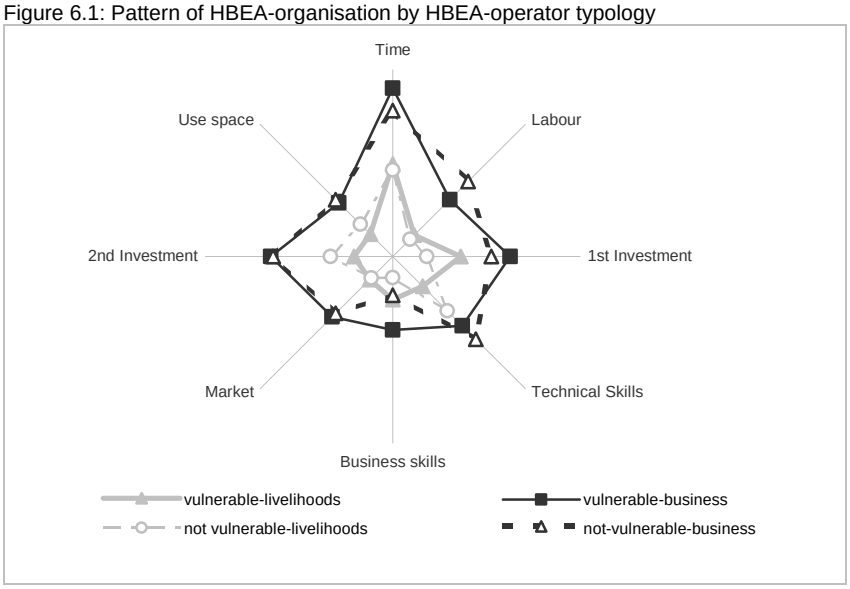
[149] Cramer's V is 0.58; significant at 0.00. Gamma is -0.86; significant at 0.00.

[150] Because use of suppliers hardly diversifies, it is not considered here.

scores of various groups on an individual indicator. Rather, the aim is to be able to compare patterns of organisation between various groups.

This figure shows clearly that two distinct patterns exist. The business-oriented operators are characterised by a higher input or use of a specific asset. The livelihoods-oriented operators invest little in their HBEA and use informal sources. The differences between vulnerable and non-vulnerable operators are much less distinct but show up in their use of primary finance and technical skills. Non-vulnerable households score slightly lower on primary investments because they use private sources more often than the vulnerable households can (see section 6.4). Further, their technical skills are more often derived from formal sources and they deploy a higher level of business skills than non-vulnerable households do (see section 6.2). Interestingly, there is a very small difference between vulnerable and non-vulnerable households with a business-orientation.

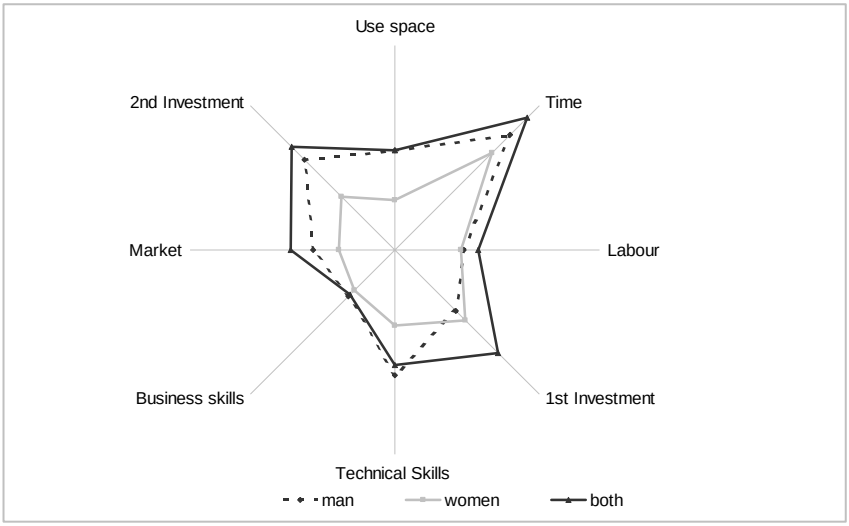
Figure 6.1: Pattern of HBEA-organisation by HBEA-operator typology



In the graph below (figure 6.2), the patterns of gender differentiation in HBEA-organisation is shown for HBEAs operated by women only, men only and both men and women. In those HBEAs where both manage, organisation is more formal and input is higher than in male- or female-operated HBEAs. This however, is related to the size of the activity which is larger and always the sole or main input in livelihoods. Differences between male and female operators exist but most significant where it concerns input of technical skills and primary and secondary funding.

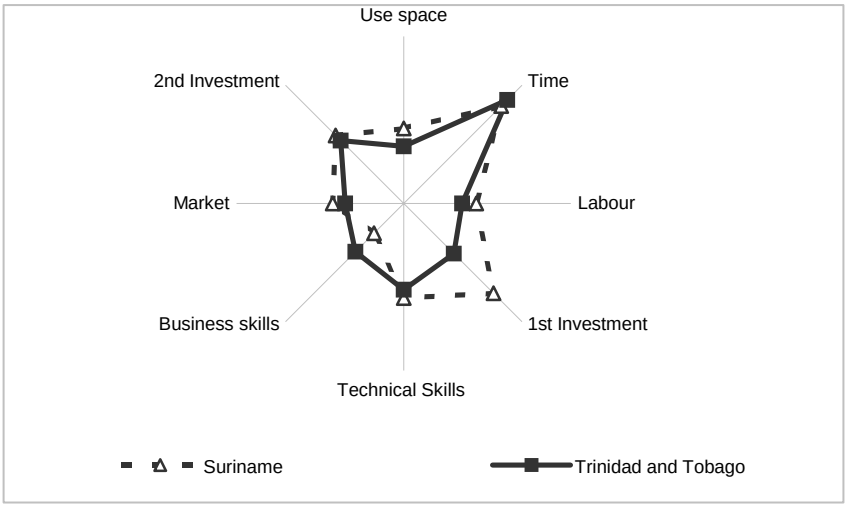
Woman operators mostly invest once and derive the source from informal networks (see section 6.3), whereas male operators more often use private funds for a first investment but invest more often and from more formal sources. Also the technical skills and market are more formal and specialised. This is strongly related to the type of activity. Whereas women work in activities that require basic skills (cooking, babysitting) and serve a local market, men more often have specialised skills that draw demands from outside the community (e.g. car mechanics, crafts).

Figure 6.2: Pattern of HBEA-organisation by gender operator



The final figure (6.3) relates country to the pattern of organisation. The graph shows what has become clear throughout this chapter is that country does not matter except for acquisition of secondary technical skills and primary financial inputs. Moreover, the primary financial input for Suriname's HBEAs is more often drawn from outside the household.

Figure 6.3: Pattern of HBEA-organisation by country

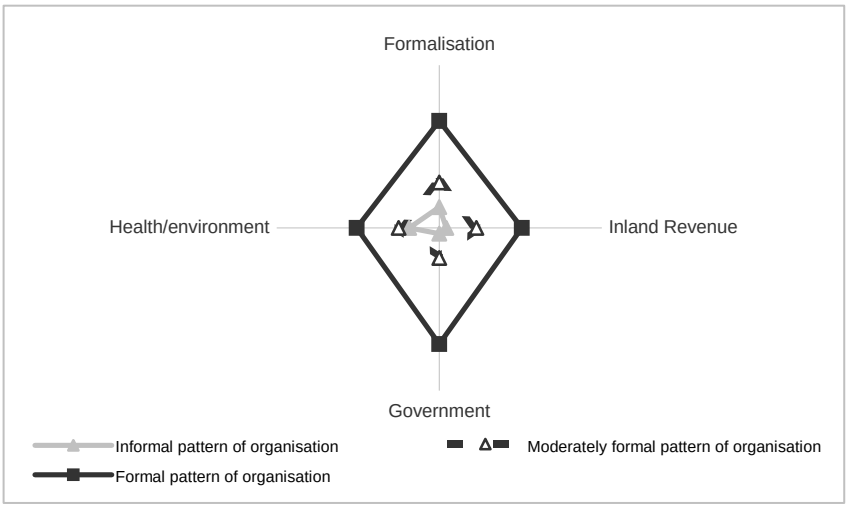


6.6 Compliance to Rules and Regulations

HBEAs have been discussed from the perspective of the informal sector. A core characteristic of the informal sector is the lack of compliance, in various degrees, to formal rules and regulations. Chapter three describes the rules and regulations regarding enterprises in Suriname and Trinidad and Tobago. In summary, relevant institutions are: Health and Environmental Authorities, the government and the registrations with the Department of Inland Revenues. More than half (55 percent) of the HBEAs that are part of this research are not registered with any institution. They have not registered with the tax agency, not applied for a license or food badge, and not registered their activity with the government authorities. A group of 28 HBEAs is partly formalised. They may have a food badge from the health authorities but have not registered their activity with the proper government institutions. A group of 17 percent is fully formalised according to the rules that apply to their activity.

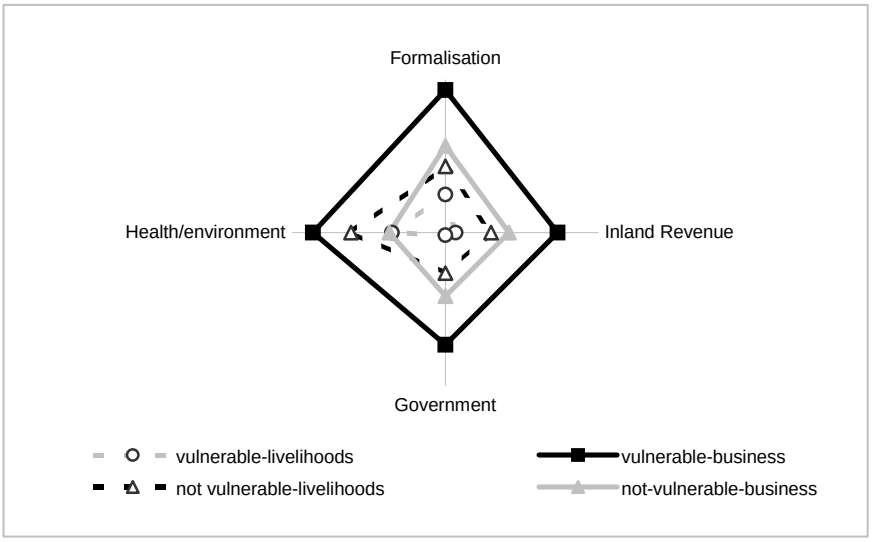
Based on the previous discussion we are especially interested in relationships between two variables and the compliance to rules and regulations: the degree of organisation in HBEAs and the vulnerability-ambition of the operator. Not surprisingly, all three are related. The next figures 6.4 and 6.5 display the very strong relationship between these variables.

Figure 6.4: Compliance to rules and regulations by degree of HBEA-organisation



HBEA that are not or only moderately organised also more often do not comply with rules and regulations. An exception is compliance to health authorities that is also done by low-organised HBEAs. The final figure 6.5 shows us that livelihoods-oriented operators comply less often to formal rules and regulation, although compliance to health is relatively often considered.

Figure 6.5: Compliance to rules and regulations by HBEA-operator typology



6.7 HBEA-organisation and Livelihoods

A final issue discussed here is how the patterns of HBEA-organisation are related to their role and function in livelihoods of the involved households. The previous chapters showed that HBEAs play various roles (i.e. side, main/head or sole income) in the livelihoods and have a different function. Some households would, without their HBEA, be at a similar level of survival, security or growth and consolidate their position at this level. Others however, are able to move with their HBEA from a level of survival to security or even beyond that. The two figures below (Figure 6.6 and 6.7) show that the form of organisation is related to both the role and function of HBEAs in livelihoods.

Figure 6.6: Pattern of HBEA-organisation by role in livelihoods

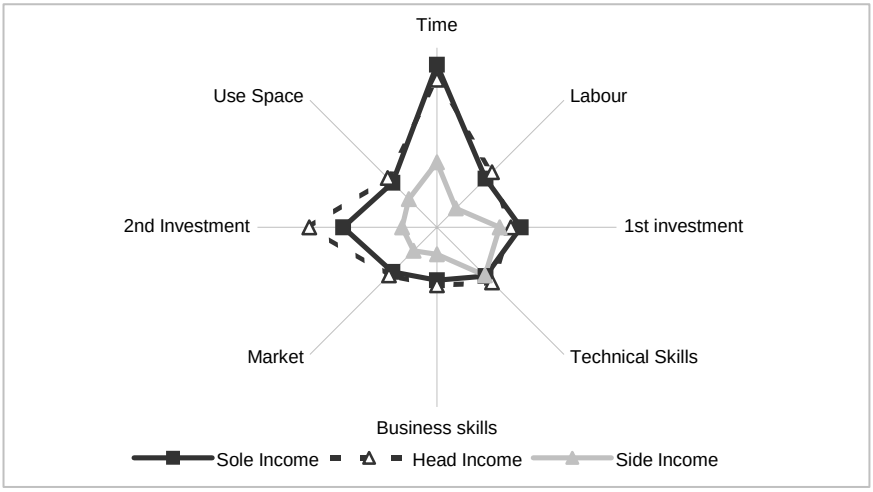
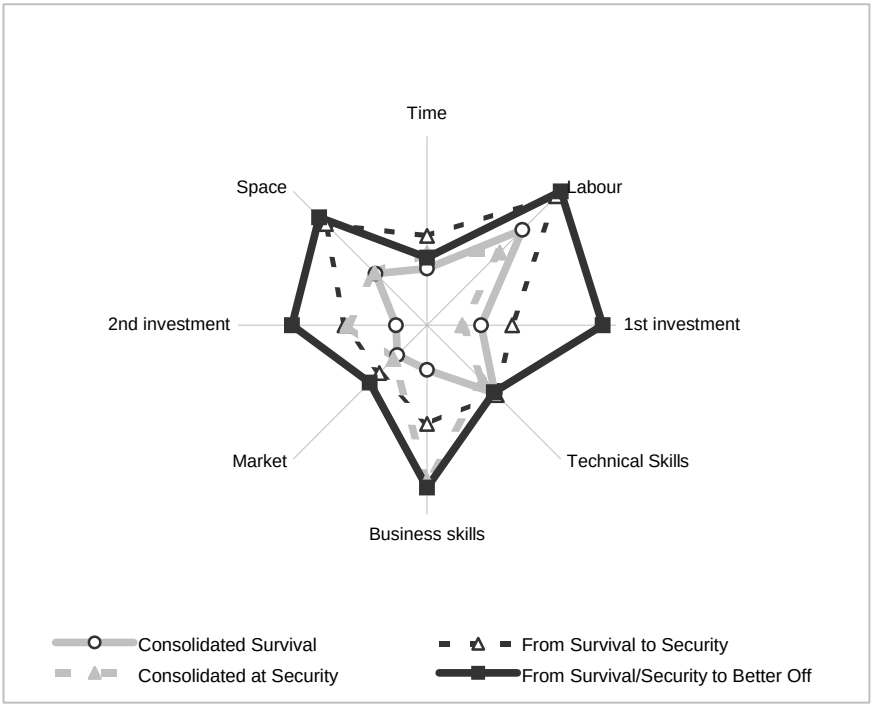


Figure 6.6 shows that two distinct patterns exist among households. Remarkably, the use of technical skills and primary investments hardly makes a difference. No matter what the role of HBEAs is, investment of skills and primary investments are modest. Where HBEAs are side incomes they are organised with input of limited amounts of time, labour input from the operator or unpaid household labour. They hardly make any secondary investments, use limited financial skills and produce for the local market. Where HBEAs are the main or sole income, other labour than from the operator is mobilised, markets are more often outside the community and immediate social networks. Differences between HBEAs that are the main or sole income are related to the input of secondary investments.

The function of the HBEAs in the livelihoods is also related to the organisation of HBEAs. Figure 6.7 shows this and gives ground for

various conclusions. First of all, it shows that the use of primary investments and business skills hardly relates to the function of activities in livelihoods. A second conclusion is that HBEAs that assist households to improve their livelihoods, from a level of survival to a level of security or better off, are organised differently than those that remain at a level of survival. More time and secondary investments are spent on HBEAs that induce a change. Moreover, where HBEAs assist in improving the household's status, more labour and especially other markets are reached. A next conclusion is that the level of skills in households at survival level is lower but more time-intensive than in security level households. A fourth conclusion is that households that move from security to a level of relative wealth, reach that status as a result of higher input of labour, secondary funding, and new markets, compared to households that remain at a secure level. Finally, households that consolidate a level of survival organise their HBEA more formally than those that remain at a level of security. However the latter have more sophisticated markets and deploy higher skills.

Figure 6.7: Pattern of HBEA-organisation by function in livelihoods[151]



[151] For reasons of clarity, no pattern of household consolidated at 'better off level' is shown.

6.8 Conclusions

This chapter has discussed the organisation of HBEAs in terms of a range of relevant indicators. For each asset, the size and the source have been discussed. The general picture of the use of human assets in HBEAs is very similar to what has been described in the literature (see section 6.2.): low input of skills, learnt informally and high input of labour mostly from within the household. Diversity exists and is related to the type of activity that is performed in combination with the gender of the operator and the vulnerability-ambition orientation of the operator. A consequence of this informal learning and the basic skills involved is that the variety of products and services offered by HBEAs is fairly limited. In fact, there is a tendency among the people involved in these activities to copy the concepts of 'successful businesses' in their neighbourhood. Another consequence 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.

Financial investments to start up business are low and mainly from informal sources, predominantly from the operators themselves. Secondary investments, other than reinvestment of profit and turnover of the HBEA itself, are not common. If these are made, they are generally larger and more often derived from formal sources. Women operators invest less in their HBEAs and can rely less on their own funds. Investments in Suriname are more often larger and acquired from sources outside the household (i.e. formal or informal financial institutions or social networks). This is remarkable considering the fact that the availability and accessibility of formal financial institutions is much higher in Trinidad and Tobago. The findings presented here raise the question to what extent formal financial institutions in each country are really accessible and geared to suit the needs of HBEA-operators. I will come back to this in the next chapter. Finally, the relation between the vulnerability-ambition typology and the use of financial assets is strong and again especially caused by the operators ambition.

Spatial use of HBEAs is by no means confined to the home itself. Additional spaces surrounding the house and even the wider community are used in HBEAs. The use of space is mostly related to the type of activities and to the gender of the operators. Moreover, the vulnerability-ambition typology plays a role. The advantage of multiple integrated uses of space is the absence of a need to invest in space. On the other hand though, room for expansion is limited and tensions with domestic demands for space may occur. A spatial separation of HBEA and the

household strengthens ideas that enterprise and household are separate entities and that the enterprise has its own pattern of development.

The local community and immediate social networks are the main market for HBEAs. The localised character of the clientele of HBEAs and the fact that they predominantly have the same social-economic characteristics as the operators themselves mean that the market for HBEAs' products is small and has limited purchasing power. They put forward a demand for basic everyday products at a low price, limiting the possibilities for HBEA-operators to diversify.

For the majority of cases in our sample, HBEA-organisation is characterised by low input of skills and finances derived from informal sources, high input of unpaid labour from within the household, flexible use of space, and markets that consist of neighbours and immediate social networks. This picture is consistent with the existing literature on the subject. Such organisation is characterised by low cost, low input and flexibility. Little investment in terms of money, skills and space are made. Furthermore, the locally based market, the often unpaid and flexible labour enables HBEA-operators to run the business at low-costs and/or allows them to combine productive and reproductive tasks. Finally, the spatial, financial and social integration of productive, reproductive, and domestic activities within the household reflects an ambition to reduce costs, increase the availability of money for consumption, and represents a flexible use of assets. This type of organisation is more dominant among operators with a livelihoods-orientation. Furthermore, HBEAs organised in such away, mainly produce secondary incomes that secure existing levels of livelihoods rather than improving them. Also women operators match this profile, more than men operators.

A smaller group invests more money and know-how and relies on more formal sources for skills, funding and labour. These HBEAs are not as strongly integrated within the household as the first group. They also aim at new markets. Such patterns are more dominant among operators with a business-ambition who aim at a flourishing (range of) HBEAs and who highly value being their own boss. This group is able to provide the main income and sometimes sole income with their activity. Moreover they can improve the overall level of household security. The combined male-female operated activities are performed in such ways. Household vulnerability is of lesser importance to the organisation of the HBEA. Yet, operators from vulnerable households rely more on external funds for their primary investments and use lower and more informally applied skills.

Various institutions at the level of the household, community and city/state proved relevant to HBEA-operators. Yet, their role differs according to the organisational issue at hand, and various household and individual characteristics (e.g. gender, type of activity and vulnerability-ambition). The interesting question is whether the role and importance of institutions for HBEAs is related to questions of access and availability (structure) or to the motivation of the HBEA-operators (agency). This question is central in the next chapter. The fact that few differences exist between Suriname and Trinidad and Tobago in terms of HBEA-organisation despite large institutional differences provides excellent opportunities to answer this question.

A final remark here concerns ethnic differences. My analysis primarily focuses variation in HBEA-organisation based on gender, country and vulnerability-ambition orientation of the operator. The reasons have been explained in chapter two. However, I have, where data allow for it, assessed what differences are found between operators of a Creole/African, Hindustani/East Indian, mixed or another ethnic background. The statistical analysis indicated small differences for example regarding the size of primary investments (larger by Hindustani/Indo-Trinidadian operators), the formality of learning (more formal among Creole/African operators) and the degree to which operators comply to rules and regulations (more among Hindustani/ Indo-Trinidadian operators). Yet, differences are small, not statistically supported, and more in-depth research would be needed to assess and understand these differences.

Selling everything! Gonzales, Trinidad and Tobago

Garment workshop, Nieuwweergevondenweg, Suriname

Storing zuurgoed/preservatives, Nieuwweergevondenweg, Suriname

Shop in Mount d'Or, Trinidad and Tobago

Road side café, Mount d'Or, Trinidad and Tobago

7

HBEAs, Institutions and Social Relations

"The Indian man buy a bike. Twenty years I live here', Cleothilda said, 'And if was one thing you could depend on was the equalness of everybody.…I see the little Indian fellar with his basket o'channa', Miss Olive said regretfully, softly, in her hurt, 'I say "good morning", I say "good evening". I say "Howde do". He so quiet and he wife too. Who coulda imagine he was dangerous so? 'Next thing he will want is to open a parlour,' Miss Cleothilda said.' (Earl Lovelace (1979), The Dragon can't Dance, p95-96)

The previous chapter showed how HBEA-operators organise their activities. It examined the size of assets used and the sources from which these are acquired. A few key-findings from this chapter are that the majority of HBEAs draw skills and funding from close social networks and informal sources, and do not put in more that a basic level of funds. Their HBEAs do not comply fully to the legal rules and regulations that are in force. Furthermore, the labour, financial and spatial organisation of these HBEAs are strongly related to those of the households. Such organization pattern is closely related to a livelihoods-oriented ambition: securing livelihoods, combining activities, spread of risks and access to cash for consumption. A small group of HBEA-operators aim at separating the HBEA and household organisation. These entrepreneurs invest more skills and funds in their HBEA and use formal sources in addition to informal sources of funding. Their organisation pattern is the result of the business-orientation of the operator: independence, profit and growth. The pattern of organisation is also related to the role and function of HBEAs in livelihoods. Generally, smaller input from informal sources and strong integration in the household result in side incomes and mostly consolidation of a livelihood position. As operators invest more in terms of time and more often use extra-household

sources, the role of HBEAs in livelihoods is more important and can give rise to the structural upgrading of livelihoods.

The question brought forward in the concluding section is to what extent the pattern of organisation in the HBEA is the result of the ambition of the operators; shaped by their role and function in livelihoods; and/or shaped by the (related) access to and availability of institutions. This chapter addresses that question through analysis of the relationship between HBEAs and the organisations, institutions and social capital functioning in their wider societal context. The next section in this chapter gives a theoretical introduction to institutions, organisations and social capital in livelihoods, and more specifically, within HBEAs. Thereafter, the role of various institutions in the organisation of HBEAs in Port of Spain and Paramaribo is discussed and analysed. Each time the functioning of the institution is described and how it impacts on HBEAs. Next, it is stated how and for whom the institution is relevant and why.

7.1 Livelihoods and HBEAs Embedded in Society: a Theoretical Exploration

Assets, Livelihood Activities and the Institutional Context

Since the turn of the century, the focus in livelihood studies has gradually shifted. The dominant perspective on the micro-level of households and individuals has been enlarged to include its embeddedness in the larger societal context. Consequently, no longer is only the importance of people's agency acknowledged but also the effects of structural forces on livelihoods. Hence, interactions between households and their environment in creating access to assets, effective use of assets, and livelihood opportunities have become central issues in livelihood debates. Most of the important contributions in this field focus on rural areas, such as those from Bebbington (1999), Ellis (2000) and De Haan (2000). Several contributions (cf. Amis 2002; Meikle 2002) to Rakodi and Lloyd-Jones' (2002) edited volume on urban livelihoods, shed a light on urban livelihoods.

All these texts share a belief that livelihood opportunities are an outcome of interaction between agency and 'structural forces' and that, in order to fully grasp livelihoods, it is crucial to understand these interactions. Scholars utilise different terminologies that result in some confusion. Ellis (2000) for instance distinguishes between social relations (gender, class, age and ethnicity), institutions (rules, customs, tenure and market practice) and organisations (associations, NGO's, local administrations and state agencies) as the mediating processes that modify the access of households and individuals to assets. This is different from Rakodi (2002:13-16) who

refers to informal and formal processes (e.g. policies, laws, social norms, rules of the game and incentives- encompassing gender and power) and institutions (public and private structures or organisations). Bebbington (1999) finally, points at the importance of the notion of social capital and relations of households with actors in the sphere of the market, state and civil society.

For this research, Ellis' (2000) framework is used as the conceptual base because of the clear distinctions he makes between organisations, institutions, and social relations. His notion of organisation has been extended to include the private sector and social relations to include strong and weak ties (Granovetter 1973). Hence, the assumption is that access to assets, necessary for HBEAs as well as the way these are organised, depend on the institutions, organisations and social relations involved. Together I will refer to these as the social context.

Institutions and organisations are not the same entities. Institutions are 'complexes of norms and behaviours that persist over time by serving collectively valued purposes' and organisations can be defined as structures of recognised and accepted roles' (Uphoff 1993:614). The two are not mutually exclusive in the sense that some institutions are organisations as well or vice versa, e.g. the Land Registrar's Office. Other institutions, e.g. the law, are by no means organisations and some organisations, e.g. a surveying company, are no institutions (ibid.:614). Social relations based on, for instance, gender or class, structure the access and shape of social capital. Due to their close relationship, they will be discussed under the heading of social capital, later in this section. For now, I only refer to the definition of social capital used in this study as the 'ability of actors to secure benefits by virtue of membership in social networks or other social structures' (Portes 1998). Institutions, organisation and social relations modify access to assets and effective use of these, hence what livelihood opportunities and activities are available and attractive to them (Rakodi 2002:15). Thus, they impact on the access and use of assets mobilized in HBEAs.

Institutions and Organisations

Institutions are described in various ways such as 'regularised patterns of behaviour between individuals and groups' (Leach *et al* 1999:226), or 'the humanly devised constraints that structure human interaction' (North 1997:23). In a less formal way they are seen as 'the rules of the game' (cf. North 1997:23; DFID 2002) or the 'software of society'. Institutions can be formal (conditioned by law or rule) or informal (based on established social practise) or both (Bebbington 1999; Leach *et al* 1999; Rakodi 2002). Then, institutions appear to include almost every form of regular interaction between individuals and the world around them. Nevertheless,

there is to some degree an understanding of what institutions are made from. Institutions consist of formal rules (statute and common law, regulations), conventions, as well as informal constraints (norms of behaviour and self-imposed codes of conduct) and range from laws to market practice (Uphoff 1993; North 1997; Ellis 2000; De Haan and Zoomers 2005).

The relations between households, institutions and organisations are not set in stone but change over time because they 'emerge from underlying sets of rules that are constantly made and remade through people's practices' (Leach *et al* 1999:237). Unequal power relations pervade the institutional dynamics of everyday resource use and livelihoods are the outcome of negotiations among social actors, involving power relations, 'rather than as simply the result of fixed moral rules encoded in law' (ibid.:234).

Organisations on the other hand, are 'players' or 'a group of individuals bound by a common purpose to achieve goals' (North 1997:23). They are the 'hardware' and implement or channel policies, laws, conventions etc. (DFID 2002). Organisations can be classified in various ways. The most common is the distinction between public (e.g. legislative or governmental bodies and parastatal agencies), private (e.g. commercial enterprises) and civil society organisations (Ellis 2000; DFID 2002; Rakodi 2002).

Organisation and institutions play a role in every stage of livelihoods and at different levels of scale, ranging from the micro-level of individuals and households to the level of international action (Uphoff 1993; Leach *et al* 1999:608). For this study, a distinction is made between what takes place at the level of households, the meso-level of the neighbourhood and the macro-level of city and state. Studies on interactions at meso-level are still fairly scarce and take place within the field of civil society, local governance and community enablement (Baud 2000; Hordijk 2000).

Social Relations and Social Capital

The quality of social relations, i.e. social capital, based on gender, age, ethnicity and class modify the access and use of assets by households and individuals (Bebbington 1999; Ellis 2000). From the early 1990s, social capital acquired a central position in various social sciences. This was the result from a number of developments such as the acknowledgement that non-monetary forms of capital, e.g. human and social capital, play an important role in development.[152] However, social capital is by no means a

[152] The increased awareness among social economists that much economic behaviour is embedded in social relations and not so much in economic motivations was another reason for the increase in attention for social capital.

new phenomenon. As Portes (1998) describes, authors such as Weber, Durkheim, Marx and Simmel already laid the fundaments of current conceptualisations of social capital. Also development studies discussed social relations before 1990s but generally perceived of it as 'burdensome, exploitative, liberating or irrelevant' (ibid.). The current debate on social capital is inspired by the work of Pierre Bourdieu (1980), Robert Putnam (1993) and James Coleman (1988).

At its base social capital points at the quality of relationships between people (De Haan 2000). From this base however, a wide range of highly different and sometimes contradictory definitions and conceptualisations have emerged (Portes 2000; Harriss 2001). Carney (1999 in De Haan 2000:345-46) explains how different views on social capital exist. Some scholars see it as relations of trust, reciprocity and exchange between individuals but other focus on the connectedness of networks and groups, including access to wider institutions. A final group focuses on common rules, norms and sanctions that are mutually agreed or handed down within society. This conceptual confusion partly finds its origin in the various levels of scale social capital is analysed at. Social capital is seen as a property of individuals and households (Woolcock and Narayan 2000), communities (De Haan 2000; Portes 2000; Silvey and Elmhirst 2003) and even countries (Putnam 1993). However, at all these levels, social capital means something else. At the micro-level of households and communities it implies the networks and norms that govern interactions among individuals, households, and communities. Whereas on a macro-level of state it includes institutions such as the law, government, civil and political liberties as well as the wider social-cultural and economic climate (cf. Molyneux 2002; Van Westen 2002).

The discussion on social capital tends to focus on the positive aspects of social capital. The dominant idea is that social capital generates positive results for people, thus that more of social capital is always better. However, scholars such as Alejandro Portes (2000), Silvey and Elmhirst (2003) but also Caribbean scholars, such as Peter Wilson (1969;1973), point at possible negative results of social capital and at processes of social exclusion. Moreover, some authors emphasise how social capital, especially in development debates is a concept used to wipe out notes of power and inequality (Harriss 2001).

Furthermore, the development agenda of the 1990s with its focus on retreat of the state and an increased role for civil society and citizen participation opened the floor to a grand role of social capital in development debates. The World Bank embraced social capital as the 'missing link in explaining why some countries' development lagged behind others' (Portes 1998; Woolcock 1998; Harriss 2001; Molyneux 2002; Schuurman 2003; Silvey and Elmhirst 2003).

This study focuses on social capital at the micro-level of individuals and households, and the meso-level of communities. It analyses its role in relation to livelihoods, asset acquisition, and the organisation of HBEAs. The definition by Moser (1998), similar to the definition of Portes (1998), given at the beginning of this chapter, is useful. She speaks of reciprocity within communities and between households based on trust deriving from social ties. In my analysis three aspects of social capital are taken into consideration: the forms and dimensions of social networks, the resources of social capital, and the results of social capital.

Forms of Social Relations

Literature on social capital provides various classifications of social capital on micro- and macro-level, that are based on more or less similar notions of embeddedness and autonomy. On the micro-level of households and individuals, strong ties (Granovetter 1973), horizontal relations (Portes 1998), and bonding capital (Woolcock 1998) all refer to strong ties between neighbours, friends, and family members with similar characteristics and power standing. Relations beyond the immediate family and community, possibly with people from different ethnic, geographical, occupational, and class background, or with people of uneven power standing are termed weak ties (Granovetter 1973), bridging, and linking capital (Putnam 1993; Portes 1998; Harriss 2001), and vertical networks (Coleman 1988). For this study I have chosen to use the distinction between strong and weak ties. The quality of relations within these networks is affected by gender, ethnic and age relations (Narayan 1999; Harriss 2001).

Rural studies show that for livelihoods, households rely on bonding, bridging and linking networks (Molyneux 2002; Silvey and Elmhirst 2003). Not necessarily more social networks but the optimal combination between weak and strong ties generates the best results. In the urban context where relations with formal organisations and authorities are more important in daily life, this is assumed to be even more important (Beall and Kanji 1999; Bebbington 1999; Lloyd-Evans and Potter 2002; Krishna 2004; Woolcock 2005).

Sources of Social Capital

Portes and Sensenbrenner (1993) distinguish four resources that motivate people to accept claims. They relate these sources to the importance of social capital for ethnic entrepreneurs. The first two, norms of reciprocity and enforceable trust, are instrumental reasons. The first refers to social chits that develop out of previous good deeds and that are backed by the norm of reciprocity. Social capital motivated by enforceable trust is the result of individual members' disciplined compliance with group expectations that are based on notions of 'good standing' and expected benefits or punishment. In consummatory motivations for social capital,

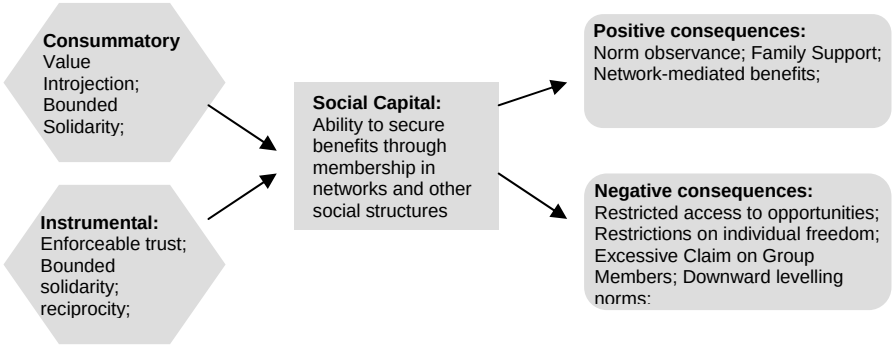
moral imperatives are the main forces for behaviour, either in the form of value introjection, or in the form of bounded solidarity. The first refers to norms and value imperatives that people learn during socialisation processes and become appropriate behaviour within groups. Bounded solidarity is similar to this except for the fact that it emerges from specific, space and time-bound situations.

Peter Wilson (1969;1973) developed the concepts of 'reputation and respectability' and 'crab antics' for the Caribbean. Respectability involves values and morals that are influenced by European Colonialism and the local pyramidal social structure based on Christianity, class and colour (Wilson 1969). Reputation on the other hand is described by Sampath (1997:24-25) as a 'working-class live-for-today enjoyment of the kind of hedonism that is deemed as worthless by the respectable sections of local community'. It refers to machismo, carnival, *bacchanal* and is a reaction to respectability society (Janssen 2004 (issued 2006)).

Results of Social Capital

A final dimension of social capital is the results it produces or its consequences. Social relations are an important asset for people to build livelihoods and cushion themselves against adverse situations (Moser 1998; Bebbington 1999; Grootaert 2001). It produces benefits such as access to assets and information that provide material gain or coping. Being excluded from certain social networks and organisations is therefore an important feature of being poor. However, social exclusion is the other side of social inclusion (Woolcock and Narayan 2000; Lloyd-Evans and Potter 2002; Silvey and Elmhirst 2003).

Figure 7.1: The sources and consequences of Social Capital



Source: Portes (1998:8)

Portes and Sensenbrenner (1993) have paid attention to the negative results of social capital on ethnic entrepreneurship because it limits personal freedom, leads to excessive claims, and limits access to extra-community assets, social networks or opportunities. They state that

feelings of trust and solidarity reflected in strong ties, but may have negative results later on, as they foster excessive claims on the profits and labour of these businesses. Furthermore, such relations enable fierce regimentation of, and limited access to contacts with the outside world, and foster down-levelling pressures that prohibit efforts people make 'to move ahead'. This is especially relevant where peoples' solidarity is built on a perception of limited possibilities to social and economic mobility, or oppression by the system. The focus in this study is not on the ethnic entrepreneur but it does focus on communities with bounded solidarity, and on entrepreneurs who rely on these communities for their market. Therefore, similar features may be relevant. Figure 7.1 shows the potential losses and gains of social capital.

Negative results of Caribbean social relations are also captured in the concept of Wilson's (1973) *crab antics*. In the analogy, lower class citizens group together in a bucket of poverty. Whilst there is plenty opportunity for creativity, the attempts of individuals to escape from the bucket are hampered because he or she is pulled back by the others (Wilson 1973; Sampath 1997; Puri 2003). In the *Dragon can't dance,* Earl Lovelace (1979) portrays this beautifully for Trinidad's Laventille. Also in Ryan and Barclay's (1992) work on black entrepreneurship in Trinidad and Tobago this crabs in a barrel-thesis is brought forward. In addition they bring forward the complexity of simultaneously maintaining personal and business relations with people.

Figure 7.2: Institutions, organisations and social relations important to HBEAs

	Institutions	Organisations	Social capital
City and state	Planning; Public Health; Tax; Government departments involved in business;	Formal financial institutions; Formal educational institutions; Business development services; Suppliers	Social relations based on strong and weak ties
Neighbourhood	Market; Credit; Competition; Community		Reciprocity, enforceable trust, solidarity. Ethnic and gender relations; strong ties
Household	Household; Family		Gender relations; norms of reciprocity and trust; Strong ties

A selection of institutions, organisation and aspects of social capital will be discussed within this study (see figure 7.2). These have been drawn upon based on the literature on HBEAs used in chapter five and six, and the findings of the study so far. For each, we will describe briefly how it functions in the context of Paramaribo and Port of Spain, how it relates to the organisation of HBEAs, and how variations can be explained from characteristics of the operator and the role of HBEAs in livelihoods.

7.2 Institutional Context: Household Level

The household is a central institution in the organisation of HBEAs. Households are the main source of labour, finance and space needed for the operation of HBEAs. Moreover, HBEAs are financially, temporally, spatially and socially embedded in the private domain of the household. This section looks at the opportunities, limitations and constraints of household provision of labour and finance, as well as the financial and temporal integration of HBEA and household. A general trend emerged in the previous chapter: HBEAs of operators with a livelihoods-orientation tend to be more integrated within the household domain. Such HBEAs provide a side-income and livelihoods consolidation. This as opposed to HBEA-operators with a business-orientation, where HBEAs are a head or sole income, or create a change in the livelihood situation.

Labour

In half of HBEAs the HBEA-operator is the main or sole contributor of labour. This means that people other than the HBEA-operator work in the remaining half of the HBEAs. As has become clear in chapter six, the household is the most important provider of this labour. Generally this labour is low-skilled, unpaid and can be used flexibly. The opportunities for HBEA-operators to use household labour depend on the extent to which the quality and quantity of the labour available correspond to the needs of the HBEA, and the preferences of the operators. In addition, this is affected by the capability of the operator to call on this labour. Hence, a combination of household assets and vulnerabilities, the ambition of the operator, and quality of social relations affect this.

The large majority of HBEA-operators prefer household labour over the input of external employees. A prime reason is that, whereas external employees expect a competitive salary, the labour of household members can be 'free'. A second reason put forward is that the labour from within the household can be called in part-time and flexibly, according to the needs of the HBEA or operator. Hence, in using household labour HBEA-operators cope with irregular flows of work and demands from multiple activities that take place simultaneously. However, this also contributes to the long and fragmented labour days. But also in case HBEAs structurally need extra labour, HBEA-operators prefer the input of household members. In the opinion of HBEA-operators, external employees will never put in the same energy and work as household members would, and can never be fully trusted. The household-setting, furthermore, inhibits the use of external employees that need to enter the private domain in order to work.

> 'When yu have a family business and everybody [is] living in one house, everybody [is] sharing one thing. Yu tend to grow faster than if you had employees. Employees tend to steal from you, right. [With] Employees, yuh have to make sure and pay every Friday. Well you will pay your children, that is obvious, they need money but you could always tell them: "hold on I would buy a car for you next year... just hold on"' (Mark, rents out vehicles, Gonzales, Trinidad and Tobago).

The preference for household labour is universal in the sample, but differences do exist in accordance to the vulnerability-ambition type of the HBEA-operator. Operators who have a business-ambition will call in external labour if the development of the enterprise requires it. On the other hand, livelihoods-oriented operators would, in such cases, rather put their business at the same level or even stop doing an activity. In their search for improved well-being, they are reluctant to increase costs for their HBEA. Vulnerability further strengthens this: when households are vulnerable they avoid the costs and risks involved in the mobilisation of external labour. Similarly, for a side income or sole income, costs need to be as low as possible and extra-household labour is not sought after.

Limitations to the use of household labour also exist. The level and type of skills available in the household, and the involvement of members in other activities, shape the size and amount of labour available. HBEAs requiring specialist skills may need to train members in the skills. If time spent on other livelihood activities gets in the way of HBEA-operation, solutions are complex. When the goal of livelihood diversification and household security is dominant (i.e. livelihoods-orientation), terminating other activities is not an option. Business-ambitions may result in terminating other activities or calling in additional labour to give the HBEA more space.

> Paul, for example, makes crafts such as lamp holders from bamboo in Mount d'Or (Trinidad and Tobago). This is a very labour-intensive activity. He explained how he would like to expand his business. For this, he needs to increase his production and therefore, he needs more staff. This staff needs to be trained as at the moment only about three people in Trinidad and Tobago know how to do it.

The fact that HBEAs enable people to combine multiple tasks, paid and unpaid, is confirmed by the HBEA-operators, especially the women, in this research. For women who are confined to the home because cultural norms prohibit outside labour, HBEAs provide the only opportunity to generate income. Such norms can be that women are not supposed to work but also that they need to be home after school to take care of children. There is an ethnic dimension to these norms. I noted disagreement to a woman taking up a job more often among Hindustani/Indo-Trinidadian women. However, this referred to a small group only and the requirement for women to combine paid work with

domestic and reproductive tasks was found throughout the sample of HBEA-operators and regardless of their ethnicity. For other women who lack access to the labour market or to the kind of jobs that would enable combination of their reproductive and productive tasks, it is the best option. For a group with paid jobs, HBEAs give the opportunity to mobilise extra cash income while taking care of the household. Nevertheless, the temporal integration of domestic and productive tasks also limits the HBEA. For instance, because the possibilities to move around are limited and markets beyond the immediate environment cannot be reached. Moreover, time demands of household chores interfere too much with the activity and result in extremely long working days.

A final issue is whether operators have access to household labour. In Suriname and Trinidad and Tobago gender differences exist in the use of household labour: male HBEA-operators more often mobilise external labour whereas female operators rely much more on unpaid family labour. This can be explained by the fact that women's activities are often based on a livelihoods-ambition, where keeping costs as low as possible is the norm. It also means this study does not confirm the idea that men are better able to call on free household labour than women. Women did not mention experiencing problems having male or older people work in their activity and assist in specific chores, as long as it were 'male things' (i.e. driving, selling).

Investment and Financial Organisation

First and secondary investments in HBEAs are mainly done with the use of private funds, followed by other informal sources. The sources considered here are household members, larger family and ROSCAs.

Household and Family Members

From within the household, support is mainly collected from household members with a job or some sort of income. This support can be a loan or gift to the HBEA-operator or a fraction of the household budget. The size of funds that can be drawn from within the household and family is modest and usually finances the start-up of an activity or very small expansions. Conditions regarding repayment are either absent or flexible. No material security is needed and most do not charge interest. However, we reported one case where the interest rate of 30 percent was only just below the bank rate. The degree to which household members and family members provide funds for the HBEA depends on their own financial situation and on the quality of the relations between the operator and the specific relative. Hence, social relations and the norms backing these are crucial.

HBEA-operators justify a request for support from within the household with the claim that HBEAs are supportive to the general livelihood situation within the household. Beside, norms of reciprocity and gender roles are at play. I had expected to encounter friction between female operators and their partner concerning her ambition to start an HBEA and his necessary contribution to this. But the opposite seemed to be the case and men were generally supportive to HBEAs. Through such activities, especially when they appear small and informal, increased household income and income diversification can be realised without jeopardising existing domestic labour divisions and the private domain of women's lives. Beliefs among men and women that men need to take care of women and women 'will get out of (their) control' when they take a job are persistent. If possible, indirect household support was turned to only if there was no support from within the household available or expected, e.g. because of a lack of financial space or supportive relations.

The social relations backing the support of family members are based on norms of reciprocity and value introjection: 'if I help now, I may receive assistance later' and 'family is supposed to help out each other'. None of the respondents gave the impression they feel uncomfortable with asking or receiving help from overseas family, despite the fact that they will not pay the money back. One reason for this is the norm that family abroad is supposed to support family members who stayed in country of origin. Local family members who have financial space are expected to be supportive when funds from overseas family members, and from within the household, are not available. Some explained how they felt very uncomfortable asking their family members and how they were embarrassed when they would deny their request or 'talk them down'. Nonetheless, the majority was assisted.

Vulnerable operators and livelihoods-oriented operators look for small, risk free, cheap, hustle free sources of investment that require little formal security. Informal financial sources at household and family level are the preferred source of investment for these groups. They are also the only source of investment readily available to them, and a lack of these informal financial sources prevents the establishment of HBEAs (see chapter 4). This means that only a small fraction of the HBEA-operators (i.e. non-vulnerable business-oriented) look for larger investments. Non-formal sources are an opportunity and a preferred source to most of them.

ROSCA

The role of Rotating Saving and Credits Association (ROSCA) as a source of investment for HBEAs is limited to secondary investments. A ROSCA provides an interest-free loan or a short-term, relatively secure form of saving. ROSCAs demand regular, often weekly, contributions from each participant in a group. Each week one participant receives the total

amount due, known as his/her hand. A 'hand' usually results in a substantial amount of money. A ROSCA is headed by a chair who takes ultimate responsibility for the payment, therefore she/he assesses the participants. Having a job and proven reliability are important criteria to be accepted in the ROSCA. The security of ROSCA is twofold: first of all, on the level of individual participants, the system secures continued saving and prohibits a participant to 'dip-in' savings to cater for an emergency. Second, the system itself is secure because the social pressure put forward by the other participants enforces all participants to continue their payments, even though they have received their hand. Only one respondent reported of a failed *kasmoni*. ROSCAs have strict rules but they are not inflexible. Several people reported to have worked out a (short term) flexible arrangement with the chair of the ROSCA to be able to deal with a difficult financial situation. Hence, social relations are the back bone of ROSCAs.

The wish to be able to save money was one of the most important reasons for people to start an HBEA, especially for vulnerable and livelihoods-oriented operators. Therefore, it is understandable that not many HBEAs are started with the use of a ROSCA. Hence, ROSCAs are an important source for expansion and maintenance of HBEAs such as the restocking of shops. The fact that ROSCAs are interest-free, rather risk-free, and flexible, to some extent makes them useful for many HBEA-operators. The social pressure makes them put their ROSCA as their first priority in budgeting.

Operators who look for a large investment, which they cannot reimburse during the time of ROSCA cycle (usually ten weeks) cannot rely on ROSCAs. Similarly, when money is needed urgently or at a specific moment ROSCA's may not be most suitable source. Finally, the chairs of ROSCAs are very careful before allowing someone in a group and usually require a guarantee that a candidate can keep up with the payments. Having a job or a seemingly flourishing business is an asset in this regard.

Financial Management

The previous chapter showed how in the smaller and more informally organised activities, the budget of the household and HBEA are more or less mixed. The downside of this is that business performance, weaknesses and opportunities remain obscure, preventing proper development of business plans and access to formal financial institutions. This hampers business-oriented as well as vulnerable operators. On the positive side, the use of household resources for business purposes in this way reduces the costs of the HBEAs, making them more competitive. Moreover, by swapping money between activities according to needs, the livelihood aim of increased security and spread of risk is accomplished. It also makes it

possible to give HBEAs the free room to grow at early stages to build a stable business, which in return can assist in coping with emergencies or crises in the household.

> For example, Marlena in Mount d'Or uses her husbands' income to stock up her shop. If he falls ill and looses his income, she uses all the money generated in the shop to pay household expenses and does not restock her shop.

Hence, the conflation of HBEA and household budget is strategic, especially for vulnerable livelihoods-oriented operators who opt for more security and the spread of risk.

7.3 Institutional Context: Neighbourhood Level

The institutions that are active at the level of the neighbourhood are all related to the strong social ties between the HBEA-operator and his/her household on the one hand, and the community they reside in on the other. These relations affect market practice and competition between HBEAs. Below, we will first discuss the relations between HBEA-operators and the community regarding the market and thereafter regarding competitions and the enforcement of rules and regulations.

The neighbourhood is the most important sales location and its residents the most important market. The geographical scope of the market and its composition of people of similar social, political and economic standing put very specific opportunities and constraints on HBEA-operators. Due to its localised character, the market is small in size and the low-income status of the neighbourhood translates in limited demand. Yet, this demand is very well known by the HBEA-operators precisely because of their similar socio-economic status, and the fact that they reside in short distance of one another. The most striking characteristic of the market of HBEAs is the complexity of relations maintained by the operators and their clients. They are not anonymous to each other but maintain multiple business and private relations. After all, customers are mainly neighbours, family and friends as well. An advantage of these multiple relations is that they foster mouth-to-mouth advertising.

Market advantages and limitations are the result of the quality of the relations between HBEA-operators and their clients, as well as of the 'codes of conduct' underpinning these relations. Four codes of conduct underpin the way in which operators of HBEAs and their customers interact with each other. These codes are: 'you need to help each other'; 'it is important to live in peace with your neighbours and family'; 'everybody needs to make a dollar'; 'people are jealous and they want to bring you down'. These codes conflate with the categorisation of Portes and Sensenbrenner (1993) of instrumental and socialisation-related

motivations. 'you need to help each other' and 'it is important to live in peace with your neighbours' are instrumental motivations and based on notions of reciprocity and enforceable trust. The beliefs that 'everybody needs to make a dollar' and that 'people are jealous they want to bring you down' are related to socialisation and the notions of value introjection and bounded solidarity. These four norms of codes are affecting the level of trust between the HBEA-operators and their customers and shape positive and negative results (see section 7.1).

Service Providing, Price-Setting and Sales

The notion that 'you need to help out each other', is the base of the motivation for some people to start their HBEA. They want to provide the community with specific services. Both neighbourhoods in Port of Spain lack space designated for commercial activities. Shopkeepers starting out in these areas did so because they wanted to provide the community with basic commercial services. Not only the fact that people start an HBEA, but also the low prices asked, and consequently the small profits on products and services offered through HBEAs result from the perception of HBEA-operators that customers are poor and have a hard time making ends meet:

> 'I try to make everything at a minimum, 'cause it is a poor neighbourhood, and you have to ask a reasonable price. Some people ask a higher price but I say to myself that you have to consider it being a poor neighbourhood. If you ask a dollar, and you know what you do, then you will be making profit' (Teresa, former producer and seller of sandwiches, pies and juices, Gonzales, Trinidad and Tobago).

In addition to their concern about the economic difficulty of the customers and the strong notion of a need to help out, some operators also showed to be worried about what their neighbours think about them, and wanted to avoid fuelling opinions that they are over-asking or taking advantage of the neighbourhood. In their fear it would give them a bad name that, subsequently, reduces their opportunities to rely on neighbours and close social relations in times of trouble.

> 'I does check like whatever money I put out to buy my goods. I will calculate it and see: "if I sell at this price I would make back a profit and things like that". You cannot put your goods too high because they complain a lot about it. So I does average to suit' (Marlena, shopkeeper in Mount d'Or, Trinidad and Tobago).

A special case in this regard consists of the HBEA-operators that provide products and services that previously were done for free. In Suriname for example, traditionally neighbours would braid each other's hair and when major festivities such as a *bigi jari* were held, neighbours, friends and families were asked to make a special dish or cake to serve at the party.

There was no such thing as payment for the labour time. You just 'need to help out' and in return people would help you too. Today however, some HBEA-operators no longer are willing or able to spend their time and use their skills without something in return, preferably money. The economic crisis has resulted in severe reduction in purchasing power and impoverishment of large groups in society, including of the communities under study. For these groups, making ends meet has become a continuous day-to-day struggle. In addition, the Surinamese economy has further monetised in the past decade, which in return has further fuelled the need for cash money.

> A woman in Nieuwweergevondenweg, for instance, told how she started to ask people to give her, in addition to bringing the raw materials, something for her 'gasbom' (gas tank- the cost of cooking gas) because she felt she could not call it 'money for labour spent on it'.

HBEA-operators try to avoid a perception among customers that the HBEA-operator is no longer 'one of them' and getting ahead of them. They fear that such perceptions enforce feelings of jealousy and trigger negative behaviour because 'People are jealous and they want to bring you down'. The existing norm is that everybody is poor and will stay poor. This finding is confirmed both by Wilson's 'crab thesis' (1973) and Portes and Sensenbrenner's (1993) acknowledgement of the existence of down-levelling norms. The sanction on escaping poverty is being pulled down. The quotations below describe this process, and the operators' fear of it.

> 'I know why I want no business here. People are jealous, they don't give you anything. It have some people I does talk to who are all right but it has other people…..! People really try to bring you down. They do not like to see other people strive. They find you are going too far ahead. I can't even think about nice things around here. People is just so jealous' (Salina, caterer, Mount d'Or, Trinidad and Tobago).

> 'Most of the time they tell theyself, they charge you for having money. You know, if you have a little shop they tell themselves: "that guy have money, if he open a business". But he don't know how you get there. They don't know what trouble you seeing to fight them men.' (Malcolm, shopkeeper, Mount d'Or, Trinidad and Tobago).

> Two large companies in Port of Spain each took a very distinct strategy to avoid sanctions by the community. The first, a couple whose business was out of sight and who were new in the community decided not to sell within the community as a means to avoid the community knowing what they were doing and the progress they were making. The other company had lots of trucks and equipment on the streets and both their business activity and wealth were visible. They maintained community support by taking labour from the community and by donating money and goods to the community, for instance around Christmas, and to the local church.

At the start-up of their business and also in rocky times HBEAs rely on the support of the community. This support means that people come and try the product offered by respondents, even though they may not really need it or are satisfied with their current provider. Furthermore, clients may put up with the fact that the HBEAs cannot guarantee a continuous production in the beginning or, in case of shops, only have a few of the articles needed at times of start-up or difficulty when they may 'dip into the stock'. Operators mentioned this support to exist and to be of crucial importance to their enterprise. The motivations that 'everybody needs to make a dollah' and that 'you need to help out each other' pave the way for this support. By and large, the neighbourhood welcome and support new initiatives. This support though is limited and holds as long as they consider the entrepreneur to be leading a just as difficult life as they themselves. Too much visualisation of improved livelihoods and of business tools and supplies is often understood as getting ahead and not appreciated by the customers. As a result they may stop buying the products offered.

Where activities are strongly integrated in domestic life and where a livelihoods-oriented perception rules, home-based selling is preferred, hence local markets are the sole opportunity. First of all, many (women) lack access to private transport and are forced to sell close by the home. Second, cultural norms may force them to stay close to the private domain. Third, home-based selling enables efficient management of several productive and reproductive activities in the same temporal and spatial frame. Fourth, the products and services offered by these enterprises are basic and do not have a high degree of specialisation. They are the type of activities that can be found 'on every street corner' and do not reach a wider audience. For example, the merchandise of small-scale producers of local snacks such as popsicles or owners of parlours is aimed at servicing a local clientele. Finally, the lack of marketing for HBEAs confines their market to those who are in reach of mouth-to-mouth advertising. Marketing opportunities are limited because of the costs involved and also because of the informal status of many HBEAs.

Those HBEAs-operators that would like to expand their business or avoid the negative effects of mixing up business and private relations with their clientele may look out for other markets beyond the neighbourhood. This is relevant for business-oriented operators and to some extent also for vulnerable operators. Moreover, chapter six showed how especially addressing other markets advanced the importance of HBEAs for the overall livelihoods. Developing new markets and the products to serve these is not that easy and not on the agenda of many livelihoods-oriented HBEA-operators. It demands creativity, risk taking, money, skills, compliance to rules and regulations and marketing. Hence, new markets

are mainly available for the not so vulnerable business-oriented operators. For others, who do not make enough money to share wealth, or do not have the ambition or opportunities to develop new markets and products beyond their current state, dealing with their local market is a careful balancing act. A way out of the HBEA, as a welfare institution supporting the neighbourhood or the networks of respondents, is to try to make relations more anonymous and business like, and interfere as little as possible with the community. In both cases breaking the norm of 'keeping harmonious good relations' is avoided which means that greeting one another and supporting one another in times of severe distress or crisis is maintained.

Credit

Credit is a critical issue for the HBEA-operators in their relationship with clients. It is the area where social and business concerns clash. Many operators feel obligated and motivated to provide credit facilities because they want to help out their neighbours or because they care for good neighbourhood relations. The customer in question may bring the personal relationship and the fact that the entrepreneur 'knows what I am going through' as a moral justification for the request. The entrepreneur feels she cannot turn her eyes away of helping the neighbour. Hence, such credit provision, or 'trusting', was reported over and over again as responsible for business failure and problems. Many used to give credit to customers but have ended or restricted this facility after encountering bad experiences. The stories HBEA-operators told of their experiences with credit are larded with misbehaviour of credit facilities:

> 'Na, you see some people would come and credit on you. And if they have money they will go outside and buy and you see they might be coming in with a car or something and drop their box with goods' (Steve, shopkeeper in Mount d'Or, Trinidad and Tobago).

> 'Sometimes when you do jobs for people individually, they tend to think, that because you are working from home and it is a small business, that they can push you around, think "she can wait", and things like that. It is always a lay back with paying of the money' (Selma, caterer, Gonzales, Trinidad and Tobago).

> 'No, I don't give credit. There are few people I credit because I know they are going to pay me at the end of the month. For the others, it is a big hustle. You have to keep on asking them and I do not want to ask every day. I, myself, I never take anything on credit. Even as I make little money, I will buy cash' (Norah, shopkeeper, Krepi, Suriname).

The operators often claim how neighbours are jealous and assume they have more than enough money to give them something for free or at least provide extensive credit. Also my impression from short informal

discussions with neighbours is that they often expected HBEA-operators to be well off. Not one of them expressed to be jealous but did expect the neighbours to share their economic success with them and be receptive to credit or another special treatment.

Competition

Neighbours of HBEA-operators' are not only customers but may very well be major competitors as well. People copy the success of their neighbours by starting the same type of business, selling the same products. In the end of course, this only results in reduced turnover and profits for all involved. Interestingly, nobody is actually complaining about this or taking steps to counter this. Competition may be fierce, but the need to maintain good social relations is considered more essential. But stronger than this, is the notion that 'everybody needs to make a dollah', which allows people, to start competing activities in their need to earn some additional income. As a strategy to beat competition people try to extend their services, for instance, by providing more variations in quantities people can buy, or by extending hours of operation to times when others are closed:

> 'No, I do not have much competition, 'cause here is what happens: my sale is in the night when the others close up. I open right through. Past midnight, if necessary. As long as there is a thing like bingo in the community centre or boys liming here, I stay open and I serve them. I am a woman from the soil: if you want something and I have it, I give it to you.' (Sandra, shopkeeper in Gonzales, Trinidad and Tobago).

> 'Before nobody was selling but me. In recent times, more have come. You know how it works: people are jealous. And they think: maybe, I will be successful as well. But they do not know that I pay the house renovation not from my sales but from a mortgage. I do not mind. I tell myself: I earn my bread, and you earn your bread. You cannot get angry. It is their piece of land. You need to make sure, you cook well and then you will sell' (Ann, seller of snacks, Nieuwweergevondenweg, Suriname).

For those HBEAs producing more specialised products, competition comes from outside the community. For seamstresses and some craftsmen, the big manufacturers provide cheap and fast alternatives and leave a few, but more specialised jobs for them. For some formalised agencies, such as car mechanics, informal competitors within the same neighbourhood take out their customers.

7.4 Institutional Context: City and State Level

Formal Institutions providing Skills and Knowledge

Formal organisations only play a small role in the acquisition of technical skills first used in HBEAs. Their role is larger for the limited number of HBEAs that acquire additional skills at a later stage. Business-oriented operators use them more often and so do households that started off at a level of livelihood security. Furthermore, they are more often used by male operators and by Trinidad and Tobagonian operators. The role of formal institutions for acquiring business skills is unimportant. These findings raise various questions: are institutions offering technical and business skills accessible to HBEA-operators? Is more specialized knowledge sought after by HBEA-operators? And if so, do formal organisations provide what operators need? The relevant formal organisations in Suriname and Trinidad and Tobago are traditional schools, on-the-job-training, skill-training centres (operated by government and non-government organisations) and business development organisations.

The access to skills provided by traditional schools is limited to those entrepreneurs that went to school after primary school and were offered vocational and business courses. A considerable number reached secondary school but few continued beyond that level. Hence, no more than basic levels skills have been obtained in traditional schools. Expansion of skills through these institutions is impossible because most have reached an age well beyond school-age. Accessibility to on the job-training is limited to people working in the sector, and therefore less accessible when expansion of technical or business skills is required. The accessibility in terms of entrance level, costs of courses offered through skill training centres and business development organisations is high. In addition the variety in type and level of marketable courses offered is extensive.

In general, formal learning courses take place outside the neighbourhood, meaning that time for travelling is required. This does limit their accessibility as it puts a strain on the time and budget of the involved men and particularly women. Indeed, community based courses are more attractive and this is supported by the fact that the courses offered at the Community Centre in the communities in Trinidad and Tobago are very popular. In summary, accessibility to formal training is limited and the best options are offered by the training centres and business development organisations. Where these are more widely available, in Trinidad and Tobago, their role in the expansion of skills is larger. Nevertheless, two questions remain: why formal institutions play such a small role in

acquisition of pimary skills and why many operators do not expand their skills after initial start-up?

The most important reason brought forward is that the courses offered are not suited to the needs and preferences of many HBEA-operators. The technical trainings offered, develop skills that result in quality niche products that can reach a larger market. Many operators do not have the ambition or opportunity to develop such products or such markets. Their livelihoods-oriented ambition makes them focused on activities that generate a secure flow of cash income for consumption and that can be combined with other activities. To accomplish this, HBEA-operators look for a low risk business that requires little investment. It is often not true that people come up with a business idea first and then start acquiring skills. On the contrary, the large majority evaluates the skills they have and develop their business from that starting point. In addition, they will only mobilise those skills that for sure will provide a successful product and that they can sell within their immediate living environment. In practice this means a product that they have seen someone else do successfully or something that responds to a local demand. As the demand from this area is limited in variety and scale, basic skills are enough. The niche-skills offered by many formal sources do not suite this demand. On the contrary for many these types of business would be considered a risk and not worth investing valuable time and money in learning. An example illustrating this: courses offered by the Ministry of Community Development in Trinidad and Tobago at the community centre in Mount d'Or are followed by many residents. However, these skills are learnt for sheer enjoyment rather than for business purposes. The demand for these skills is not to be found within the community where others took the same course. The group of entrepreneurs that follow courses through these formal NGO- or government-sponsored institutions are aiming at extending their business, developing a niche market and finding market beyond the community. They match the profile of the classical entrepreneur, which is also the target market of these institutions.

To a certain extent the same argument is applicable to the acquisition of business skills. As the aim for most operators is to make sure the business continues and provides cash income for consumption the business skills taught by formal institutions are not considered necessary for the management of their business. As mentioned before, many develop their own method of bookkeeping. However, in this specific type of skills, the modest general level of education plays a role as well. Many HBEA-operators explained they find it very difficult to actually follow these courses. Furthermore, where these business courses are offered by business development organisations the target group consists of classical

entrepreneurs. Since most HBEA-operators do not consider themselves entrepreneurs, they do not approach these organisations for courses.

Financial Institutions

Formal financial institutions play a modest role for HBEA-operators. When HBEAs start-up, formal financial institutions are marginal. Their importance increases if secondary investment is undertaken, but for a large group of HBEAs they remain irrelevant. Formal financial investments are more important for the secondary investments, for HBEAs that induce a structural change in livelihoods, that are the head or sole income, and whose operator is male and has a business-ambition.The analysis presented here addresses the actual and perceived accessibility and suitability of formal institutions for the start-up or expansion of HBEAs. The formal institutions that we take into consideration are commercial banks, credit unions (CUs), micro-finance institutions (MFIs) and hire-purchase arrangements (HP). Chapter 3.4 gives an overview of the prevalence and main characteristics of these institutions in Suriname and Trinidad and Tobago. Here, we summarise the main requirements and opportunities.

As opposed to banks, CUs, MFIs and HP are accessible for HBEA-operators who lack access to formal collateral or security such as a house and formal employment. Nevertheless, similar to banks, CUs and MFIs require savings or other forms of collateral and business plans. HP does not require formal security. The purchase under HP is the collateral. Social relations are possible or necessary forms of collateral for HP, banks and MFIs. Other than demands on collateral, borrowing from formal institutions entails costs, which vary depending on country in combination with the type of institution. Furthermore, formal institutions require a degree of paperwork and application processes can be time-consuming. Finally, penalties for arrears can be rather severe and borrowing therefore risky. In terms of accessibility banks are least accessible and HP the most accessible for people. However, costs of HP may be very high.

The formal character of these institutions does not mean that social relations and informal networks do not play a role in acquiring access to some of these institutions. First of all, where co-signing of loans is required (e.g. banks, MFIs and HP), social relations with people that qualify and are willing to support them are a must. These co-signers take up at least part of the financial responsibility and are expected to assess the credibility of the customers before agreeing to sign. They decide based on criteria such as having a job and accessible behaviour (no drinking of alcohol for instance). In addition co-signers may hope for reciprocity when signing. Again the notion that 'you have to help out each other' plays a role. These criteria however, are different from those operated by

the institutions themselves that require formal security or consider the size of the loan in relation to the income earned. This means that co-signers may put themselves at risk. The financial institutions themselves however, limit their risk by shifting it on to the social network of the customer. Where brokers are needed to gain access to HP, social networks are important as well. Speaking to one of the women with these credit notes we learnt that she basically applies the same criteria as she would when selecting people for a ROSCA: they need to have a job, be reliable and feel obligated not to let the credit provider down.

Generally, it is argued that the strict requirements and regulations of banks are exclusionary and prohibit the access of low-income groups, women and micro-enterprises to these institutions. Alternative formal institutions such as CUs and MFIs are considered to be more accessible to these groups and would increase formal lending by them. If this were true one would expect a higher use of formal institutions in Trinidad and Tobago than in Suriname, since the former has a much wider range of CUs and MFIs. Moreover, levels of interest are generally also lower than in Suriname. This, however, is not the case. This means that other factors explain the (lack of) importance of formal financial institutions as well.

The HBEA-operators bring forward a range of arguments why they do not take loans from formal institutions. Some are based on experiences, some on perceptions, and some related to business and personal characteristics. First of all, the demand for some form of security in the form of collateral demotivates or excludes groups of HBEA-operators. HBEA-operators have expressed problems in finding suitable co-signers, have limited access to formal security and collateral but also consider putting their savings or gas-stove up for collateral, a risk they do not wish to take. Second, many are not familiar with formal financial organisations. They are located outside of the community and main living environment of the HBEA-operators. Moreover, the general perception is that it is necessary 'to know' someone in order to be able to get access to institutions. Related is the image of formal financial institutions as inflexible concerning the repayment of loans. They were afraid sever penalties would be implemented when a small delay in payment would occur. Generally, they believe the formal institutions are not considerate with the precarious economic situation they find themselves in:

> 'They are not considering the fact you have to eat, pay bills and provide things for your children and need time to let the business grow' (Mark, shopkeeper in Gonzales, Trinidad and Tobago).

Next, costs involved in borrowing from formal institutions are higher than those of informal sources and are another reason for operators to look out for low-interest or interest free sources of capital, such as family, their own savings or non-commercial HP. Last, but not least, HBEA-

operators do not approve of formal financial institutions because of the paperwork involved in getting business loans from formal financial institutions. Many HBEAs are neither based on a solid business plan, nor take financial records to assess their performance. The operators express problems developing and maintaining these but many also do not see the need for these. HBEA-operators mentioned they thought it was 'a hustle for TT$1500' and concluded that 'them people not there for we'. They expressed feeling intimidated and explained having difficulty to understand questions and explain themselves. Furthermore, the business plans require at least an idea about the business development.

The majority of the HBEA-operators in this research operate an HBEA because of the wish to increase livelihood security. In addition, they experience a degree of vulnerability. For them, investments in businesses are preferably small, cheap, risk-free and flexible. Formal financial institutions are nor accessible nor preferred by this group because these forms of loans do not support their ultimate goal, i.e. livelihood security. These livelihoods-oriented operators prefer to use the smaller funds they can mobilise from their own sources or through social networks. Where informal or private sources cannot satisfy the demand for investment, i.e. when larger funds are needed, formal financial institutions come into play. Mostly HBEA-operators with a business-orientation or that want to expand their business are interested in these institutions. Their vulnerability and available security determine which institutions are accessible to them.

The Regulatory Framework

HBEAs have to comply with formal rules and regulations (see chapter three) regarding health and environment, taxes and registration/licences. The previous chapter showed that the majority of HBEAs do not comply with all the rules and regulations in force but some degree of formalisation does exist. HBEAs that have a higher input of assets from formal sources also have a higher degree of compliance. In addition, business-oriented operators more often comply with existing rules and regulations.

Health and Environmental Authorities

The Public Health and Environmental Authorities in Suriname and Trinidad and Tobago interact with HBEA-operators in three areas: certification of food handlers; inspection and certification of food preparation areas; and inspection of general environmental conditions in residential areas. These regulations apply to food producers and those HBEAs that produce noise, smell and environmental hazards.

In both countries, the procedures to acquire a food handlers' certificate is simple, cheap, and initiated by the operator him/herself. The certification

of work areas implies the need to comply with a wide range of standards, e.g. separate kitchen areas and utensils for domestic and productive activities and no toilet facilities adjacent to the kitchen area. Similar standards are used in environmental inspections. In theory penalties for not having proper certification or substandard production areas are severe as authorities are entitled to close down activities. However, in their own words, they prefer to 'educate' people and do not close down activities often. This means that HBEA-operators have some space for manoeuvre here and negotiate with the inspectors or introduce step-by-step improvements.

The Public Health Authorities claim to do frequent environmental inspections but admit their work is severely constrained by a lack of manpower and transportation. As a result of their limited capacities, the inspection and certification of food preparation areas, and enforcement is low and mainly directed at large food outlets. Inspection of the certification of food handlers is done more frequently. Public Health Authorities also take action after reports and complaints by neighbours and customers who are aware of invisible and inaccessible HBEA-locations. Hence, social relations play a role. Moreover, public awareness campaigns such as 'Operatie Havik' in Suriname increases the public awareness on standards of food quality and production.

In practice, the inspections initiated by Public Health Authorities are restricted to visible and reachable locations, i.e. restaurants and food outlets along main or tarred roads. HBEA-operators who produce at home but sell at other locations, whose activities are not seen from outside or are tucked away in areas that cannot or are hard to reach by car, have little chance to meet public health officers. Many of the food-producing HBEA-operators, small and large, in Paramaribo and Port of Spain had obtained the food handlers permission. Restaurants and large food producers with markets beyond the community and immediate social networks had a certificate declaring that the area of food preparation was in accordance with existing norms and regulations. Finally, only a few operators, such as car mechanics and keepers of fowl, reported to have been in contact with the environmental authorities.

Various reasons motivated HBEA-operators to obtain a food handlers certificate. First of all, a general belief existed stating 'you need to have that'. In other words, operators feel this rule applies to their activity. Also, where people sell at visible locations, chances of inspection are large. An analysis of the relations between visibility, income and formalisation of HBEAs in Paramaribo shows the positive relation between visibility and formalisation (cf. Verrest and Post 2007). Furthermore, people are in general proud of their work and of the quality offered. They perceive of

the certification as recognition of that, and a way of satisfying increased public awareness regarding food quality. In addition, the certificate is relatively easy to obtain and most people qualify for it. Finally, a fear that neighbours and customers out of jealousy may report operators motivates people to obtain a certificate.

These reasons are absent where it concerns certification of food preparation areas. Many are not aware that this certification is compulsory or do no consider it necessary. They consider their preparation area fine: if you can cook for your family, then why not for someone else? Furthermore, the current housing situation of HBEAs and practice of spatial integration of HBEA in the domestic environment means that many would not qualify for such a certificate. Finally, despite some authorities claimed the opposite, hardly any inspection in either city was done and it affected the only group that was described above.

Does this mean that the small, invisible food-preparers can basically do whatever they like? No, they can definitely not. Neighbours and customers are a strict judge. They taste the products and when they have bad experiences related to the taste or hygiene of the product, the penalty is fierce. Word will spread through the circle of customers and someone is out of business soon. There is no need for HBEA-operators to demand an environmental inspection. Hence, they only respond to actions of the authorities themselves or report of neighbours regarding smell, noise or garbage disposal. This means that these inspections are most relevant to car mechanics and agricultural producers.

Other than the food handlers' licence, the HBEA-operators do not easily comply with the rules set by these authorities. Visibility of the production or selling activities, i.e. larger extra-community markets, is the leading motivation. The absence of strict enforcement enables HBEA-operators to avoid these health and environmental regulations. However, informal regulation of these aspects of HBEAs is guaranteed by means of customers and neighbours that sanction unhygienic practises by reporting these activities to the relevant authorities, or by stopping to purchase products.

Paying Tax and Revenues

Entrepreneurs are obligated to pay tax on sales, income and wages. However, both in Suriname and Trinidad and Tobago, when sales and income are below a specific threshold, entrepreneurs are exempted from paying these taxes. Most HBEAs, therefore, do not have to pay tax. Nevertheless, it is compulsory to register entrepreneurial activities with the local department of Inland Revenue. Besides, registration with the Inland Revenue is often necessary to access other institutions, for example, to acquire a license (in Suriname only), or a business loan

through a bank. Also business development organisations aim at registering their clients with tax authorities. Registration with the tax authorities itself is not complex, but filing tax involves a self-assessment system and is quite demanding.

Penalties for not registering are severe: entrepreneurs need to pay a fine and in Suriname tax-inspectors have the right to estimate sales and incomes and therefore the size of taxes. In Trinidad and Tobago, some policies (such as exemption of specific taxes for a few years) try to stimulate registration. Some enforcement is in place. In Suriname for example, at least once a year inspectors go out to all registered businesses to hand out tax assessments. During those visits inspectors are on the look-out for other (visible) businesses. Furthermore, tax-officials check business advertisements in newspapers and respond to reports of neighbours. Again though, the institutions are short on staff and cannot do this extensively. In addition, the small 'household' activities are not the priority of the authorities. Instead the focus is on those enterprises that start to be serious competition for formal businesses.

As the data in the previous chapter showed HBEA-entrepreneurs are very reluctant and hesitant to register themselves with the tax authorities in both countries. The main reason is that they fear they will have to pay taxes and will only experience negative consequences from this registration. Many are of the opinion that 'such small activities' do not need to pay: 'I am not making no money: it is just a small thing to keep me going'. Furthermore, even when no taxes need to be paid, paperwork and bookkeeping are involved. Moreover, the actual chances of being caught are small. There are few positive incentives to register. The policies in Trinidad and Tobago only benefit larger and growth-oriented enterprises. Only a few entrepreneurs desire access to formal financial institutions. When activities appear to do well, even if not visible, people tended to register since they were afraid of jealous neighbours, reporting them.

The above means that registration with tax authorities benefits those HBEAs that want to expand their activity, access open markets, and need to work with other institutions, such as banks, business development agencies or import and export authorities. Moreover, those HBEAs that are visible or whose products are visible run a higher risk of inspection and will also register. This finding is confirmed by a recent study of Sookram and Watson (2007) who found that perceptions on the risk of 'detection by the authorities' and the burdensome character of regulations determine whether or not entrepreneurs will comply with tax laws.

Official Registration and Licenses

Suriname and Trinidad and Tobago have different policies regarding registration of business activities. In Trinidad and Tobago, HBEAs have to register themselves with the Registrar Office. This is a two-step process for which a moderate size fee needs to be paid. There is no information exchanged between the Inland Revenue Department and the Registrar, and no penalties enforced. Registration, however, is necessary to be able to register with the Inland Revenue Department. In Suriname, some types of businesses need to have a licenses or official permission, including shopkeepers. Without such license, shopkeepers cannot deal with specific suppliers. Obtaining a license requires much paperwork and involves registration with the other institutions described above. Furthermore, the costs are high. There are no benefits to obtaining either of these types of licenses unless business loans are requested. Registration and obtaining licenses is important for HBEAs that have to deal with other formalisation institutions, or are visible, but as such it is not relevant to many operators. In Suriname, the process is complicated and costly reducing willingness to register. People will only obtain these when the chance of being caught is large.

Planning

Current planning practice in Trinidad and Tobago and Suriname indirectly affects the organisation and opportunities of HBEAs. I only report the highlights of the Caribbean cases since planning in relation to HBEAs has been studied more intensively in other studies. In Trinidad and Tobago commercial, residential or industrial functions are assigned to areas and buildings. Formal combined functions do not exist in the studied areas. In practice, however, the authorities condone combined use, as long as no major nuisance occurs or complaints are filed. Besides, official outlines of the neighborhoods reserve little space to commercial activities and to the extent those spaces are available, large scale activities are not interested because of the lack of purchasing power. Hence, this enhances the opportunities for HBEAs to fill a need for basic products and services in such 'commercial deserts'. In Suriname, there is hardly any zoning and industrial areas have not been developed for a long time. As a result, productive activities, be they small or large, are forced to work from within residential areas. As long as activities are small and require little space and produce little nuisance, there is generally no problem for HBEA-operators. If activities grow or start polluting, problems with neighbours may arise. For example, the owner of a milk factory, employing 20 people, in a middle-class area reported to have many problems with his neighbours regarding the operation of his factory. Relocation of activities is difficult because of lack of alternative areas, as well as because of the increased costs it would entail.

The lay out of the studied neighbourhoods, except for lower Gonzales, is such that one main road is the central traffic channel and commercially viable location. The various side roads are connected via the main road and many of these side roads are poorly accessible for motorised traffic. The original unplanned development of various sections within the neighbourhoods further restricts access to these roads. As a result markets for HBEAs in side roads are limited to a few neighbours around them and limit accessibility for suppliers. Regarding utilities, electricity at 110 voltages is widely available in all areas but power-outages occur frequently. This constrains expanding activities and garment producers. Accessibility of water is a bottleneck for many households and demands purposeful planning domestic and productive activities.

Overall, the opportunities for people to start and operate HBEAs are shaped by planning practice and community lay-out. These, as well as planning regulations, do not affect them as long as activities are small and are not producing much nuisance. Further expansion of HBEAs, however, is hampered because of the lack of space, neighbourhood relations and inadequate level of utilities.

Suppliers

Formal institutions are by far the most important source of supplies to HBEAs. The relevant sources are the fresh produce market, wholesalers and manufacturers. The market is generally cheap and sells a large variety of fresh produce and products for the garment industry. Furthermore, the market is easily accessible by transport and has no regulations regarding the conditions of the business or operator. On the other hand, except for a basic variety of fresh produce and groceries, the merchandise is not constant, buying large quantities not always possible, and the quality of products depends on the persons offering the product.

Wholesalers sell a large variety of groceries and staple goods. The more customers buy, the lower the relative price of the product. They are very common all over streets in down-town Port of Spain but also in Trinidadian towns such as San Juan. They sell locally produced goods but also imported products. In Suriname wholesalers are often synonymous to importers and are mostly located outside the city centre. Though the places are relatively easy accessible, carrying home bulk-size goods requires transport. Wholesalers in Suriname only do home delivery to buyers of large quantities and are not flexible in delivery times. A last option for HBEAs is to buy directly from the manufacturer. In Suriname, these generally do no deliver at home or under specific conditions. Buying on credit is not possible. In Trinidad and Tobago, the range of manufacturers producing for the retail market is large. Most deliver their products to parlours. Vans have routes and visit areas once or twice a

week. The shopkeepers can buy in large as well as small quantities and sometimes even on credit. Furthermore, the vans take back goods that have passed the date of ultimate sales and do not ask for any sort of registration documents.

There is little variation in the use of suppliers according to characteristics such as the ambition of the operator, or the role of the HBEA in livelihoods. All operators strive for cost-efficiency. Yet the availability of transport, financial reserves, and the range of products available through a supplier shape their choice for a specific supplier. First of all, lack of financial reserves forces people to buy in small quantities according to the need for supplies. Moreover, buying in bulk also contains risks. Products may 'spoil' because they stay too long or get rained on. Furthermore, respondents claim their housing conditions are not appropriate for stocking up on large quantities. Their houses are too small, lack proper storage facilities or are vulnerable to theft.

The second issue is transport. The availability and costs of transport affect the methods HBEA-operators use to obtain their supplies. Operators without private cars depend on others for transportation. Some receive support from other household members or family members with cars but their availability and willingness is limited. Others depend on public and privately hired transport or the availability of home-delivery. The costs and time involved force HBEA-operators to be efficient in the type and quantities of products they buy, and limits their freedom to use different suppliers according to price differences or other advantages one supplier may have over another:

> For example, in order to work out the costs of a taxi, a restaurant-operator needs not only to buy a months' stock of staple goods from one wholesaler but also his fresh chicken whereas it would be cheaper to buy that in the downtown fresh produce market. During the same visit, also the necessities for the household itself are purchased, and often paid out of the same purse.

A third issue is the rules and regulations of suppliers towards the delivery and provision of supplies to HBEA-operators. Home-delivery may involve a minimum amount of purchase or certain formalities.

> A lager bakery in Suriname, for example, only delivers bread to retailers who have a government license and large snack manufacturers in Trinidad and Tobago do not deliver products to shops along steep and dirt roads, excluding many in Mount d'Or and Gonzales. In Gonzales a few entrepreneurs reported how they had to convince suppliers it was safe enough for them to come down to their areas.

A final issue is trust or, more precisely, distrust. When fresh products are bought, entrepreneurs try to buy from a seller they have known previously

and have good experiences with and not from a new face. In search for quality, many HBEA-operators who use fresh products or specialised products prefer having a permanent supplier providing them with goods.

The choice of supplier is motivated by a few factors of which the price is only one. The possibility to purchase in small quantities and without requirements to the formality of the business is one factor of influence. For operators without access to private transport, the availability of a wide range of products in one location is preferred. Finally, home-delivery services as offered by many manufacturers in Trinidad and Tobago are geared to the needs of these HBEA-operators. A result of this supplies-acquisition method is that HBEA-operators may not pay the lowest prices for their raw-materials and consequently cannot compete with large scale enterprises without reducing their profit margins.

7.5 Conclusions

This chapter assessed the accessibility, opportunities and constraints of various institutions at different levels on the organisation of HBEAs. It related these to the patterns of organisation, ambition of the operator, and the role of HBEAs in the livelihoods of the involved household. At the household level, spatial, social and financial integration of productive and reproductive life, and the input of investment, labour and time from within the household, are crucial at the start-up of all HBEAs and remain so for many. Such organisation enables flexible use of resources, multi-tasking and cost reduction. Yet, they also foster long and strenuous working days and limit opportunities for expansion and growth. In addition, household relations are key to success. HBEA-operators have a preference for private, own funding and will turn to formal sources if they have no other choice. However, most likely a substantial group will not start or continue an HBEA if they lack private funding. This, and the fact that many HBEAs fail when other back-up incomes are not available in the household, indicates that HBEAs are most viable to households that are not extremely poor and where some source of income is available.

Most HBEAs rely on the community for their market. Market relations at this level are very complex and entail advantages and disadvantages. Positive aspects for the operators are a general support for activities employed, and the familiarity with and short distance to the market, which makes marketing unnecessary and enables home-based selling. For the community itself, HBEAs supply cheap products and services with credit facilities to the otherwise 'commercial deserts'. On the negative side, the neighbourhood as market is small and has limited purchasing power. Furthermore, operators are forced to sell goods very cheaply, have to deal with huge competition, and need provide unreliable credit. Finally, they are limited in their ambition to grow because this will trigger negative

reactions from the neighbours. Accessing new markets would be a way to increase the role and importance of HBEAs. However, realising such objectives requieres the operator to invest, advance levels of production and register the HBEA. Therefore, it is not a viable option for many HBEA-operators.

Formal learning and financial organisations matter for a selection of HBEAs operators: those that look for large secondary investments or want to enhance their skills. This applies mostly to business-oriented operators or for HBEAs that produce more than a side income. Hence, they are irrelevant to a large group. This large group looks for low-risk and low-cost HBEAs. In such HBEAs basic products made with basic skills suffice, and risk and investment are avoided. The formal institutions maybe accessible to them but they are not relevant.

HBEA-operators comply with existing rules and regulations when they have to. That is, when they are viable to inspection, i.e. visible and/or selling to larger markets beyond the community or immediate social networks. Generally though, many of the official organisations have limited capacity to actually enforce the rules, they do not work together and for many the small home-based activities are not the priority. Also, when operators need to deal with banks, customs, some suppliers, and business development organisations, registration is a necessity. This means that as long as activities remain small and independent of institutions, such as banks, and are invisible to the outside world, they have little to fear from the formal authorities. According to the operators jealous neighbours, who can report HBEAs, are a larger threat.

In conclusion, access and mobilisation of informal sources are the reasons that many HBEAs can start-up and generate income. Yet, at the same time they constrain HBEA performance and growth beyond a specific basic level. The degree to which more formal sources are accessed and mobilised corresponds first of all to the motivation of the operator. Where a livelihoods-orientation reigns, more formal sources are avoided whilst a business-orientation, in order to have their activities grow, cannot ignore them anymore. Similarly, side incomes and livelihood consolidation exist because of informal organisation, whilst for head and sole incomes as well as livelihood changing HBEAs, more formal sources can be opportunities. Nevertheless, the previous chapters have shown this is relatively small group.

8

CONCLUSIONS

UNDERSTANDING HBEAS

'Suma na den
fu kan marki
na span
fu mi esde nanga tide
mi tide, mi konfuten?
Suma na den?'
Blaw-Kepanki[154]

Home Based Economic Activities (HBEAs) in Paramaribo, Suriname, and Port of Spain, Trinidad and Tobago, are at the core of this study. More specifically the question posed is under what conditions households exploit HBEAs and what contribution such activities make to households' livelihoods. For the study extensive quantitative and qualitative data have been collected in four poorer urban neighbourhoods; two in Paramaribo and two in Port of Spain. Although both cities are the capitals of plantation societies, recent political and economic developments differ in these locations and have produced distinct vulnerability and institutional contexts. Trinidad and Tobago's economy is buoyant whilst Suriname's has just begun to recover from an economic crisis that lasted two decades. Economic and development policies in Trinidad and Tobago follow neo-liberal beliefs and aims at developing the private sector. Yet, the government is very active in the implementation of programmes and projects supporting this aim. They have established and support a range of business supporting institutions, such as technical and business skills programmes and micro-finance institutions. In Suriname, on the other hand, policies are less outspoken directed

[153] Who are they? Who can decide What happens between my past and today- Between my present, and my future. Who are they?

towards development of the private sector. Relatively few business supporting projects and programmes, either government or NGO supported, exist.

For the purpose of this study a set of research questions were formulated. These centre on the livelihoods of low-income households in Paramaribo and Port of Spain; the incidence and variety of HBEAs in the research locations; the importance of such activities for the livelihoods of the households involved; how such activities are organised; and, the role institutions, organisations and social relations play in this. Throughout these questions differences according to household and individual characteristics, as well as between the two cities are considered.

In order to examine HBEAs, this study employed a livelihoods approach. Many current discussions and research in the field of poverty and vulnerability take place under the umbrella-concept of livelihoods. The approach emphasises the complexity, diversity and dynamic character of poverty and deprivation. The basic idea of the livelihoods approach is that households, individuals and communities develop livelihood activities based on the assets available and accessible to them and the livelihood opportunities that they pursue. One of such activities is the operation of an HBEA. The availability and accessibility of assets and activities is partly determined by the institutions, organisations, and social relations in force.

One of the main outcomes of the study is a new model integrating interactions between the HBEA and the household in terms of household vulnerability, livelihood opportunities, the organisation of the HBEA and the institutional context (social relations, organisations and institutions). Moreover, the study reconfirms that assets, vulnerabilities and strategies of the household are mediated by institutions and organisations: hence, determine the organisation of HBEAs and their role in livelihoods. This chapter first presents the major findings to the research questions. Subsequently I present the main theoretical, conceptual and empirical contributions of the studies. The chapter concludes with recommendations for policy and further research.

8.1 Livelihoods of Low-income Households in Port of Spain and Paramaribo

The first question addressed is the composition of livelihoods for low-income households in Port of Spain and Paramaribo. Previous studies on urban livelihoods emphasise the importance of labour as a livelihood activity for urban households (Rakodi and Lloyd-Jones 2002; Moser 1998). To urban households, the size and composition of human assets and access to the labour market are crucial. Besides labour and human

assets, urban livelihoods studies have debated the contribution of social capital. Social relations based on trust and reciprocity play an important role in cushioning households against severe shocks and stresses and provide access to other assets or important institutions. Moreover, transnational networks resulting in remittances contribute extensively to household income, especially in the Caribbean.

The data gathered in this study confirm these general notions in urban livelihoods studies. Labour is indeed the most important livelihood activity for urban households. In 80 percent of the households at least one person was performing labour activities. HBEAs were the second most often mobilised source of income (39 percent). Other sources of income came from transnational remittances (35 percent), social networks (22 percent), and social welfare (34 percent). Finally, in concert with general livelihood findings, the large majority (85 percent) of households rely on more than one livelihood activity.

So far, livelihoods studies are predominantly discussed and described in qualitative terms and have emphasised the diversity, complexity and dynamics of livelihood opportunities, and constraints for the lives of involved people. This has certainly been a positive change from classical methods that defined poverty at the macro-level using undifferentiated data without discussion of its meaning or dynamics. Yet, a certain degree of quantification of data is useful as this can support comparison of livelihood components across countries and groups.[154] An asset- and a vulnerability-index have been developed for this study. The asset-index represents the size and composition of human, social, productive and financial assets that households in the research locations have at their disposal. The vulnerability-index indicates resilience to shocks and stresses in urban life in terms of income diversification, regularity, and dependency. The scores of households on these indices have been related to household characteristics.

One of the key-elements of the livelihoods approach is its focus on household diversity. Household characteristics affect access to assets, livelihood activities, and vulnerability. In the Caribbean context household differentiation according to the gender of the head (female headed, male headed), the composition of the household (nuclear households or extended), and ethnicity is widely acknowledged. In addition to these I have differentiated according to the age-dependency structure of the household. This household characteristic is strongly related to the concept of household life-cycle (cf. Gonzáles de la Rocha 1994). The concept

[154] See the study by Baud *et al* (2008) for an example of a quantitative analysis of urban livelihoods.

represents the dynamics of generational developments of households in three stages: expansion, consolidation, and dispersion. In my opinion the life-cycle concept is only applicable to capture the developments of nuclear households and wrongly presupposes that all households naturally go through all stages. In the age-dependency structure that has been adapted from the life-cycle concept these shortcomings are mitigated. First of all, I have shifted away from the notion of a natural, ordered life-cycle for households. I consider specific situations for households based on dependency ratios and age composition within households. The various situations may be linked to each other but there is no predefined order in them. Furthermore, I have sought to make the concept better applicable to the context of Caribbean households. I have done so by redefining the various situations and including a fourth stage of transition.

The analysis done shows that the age-dependency situation households find themselves in is the major factor determining both the vulnerability and the asset base of households. Households in situations of transition and consolidation are least vulnerable and have the largest asset base at their disposal. Households consisting of young people with or without small children (expansion) and those with only elderly people (dispersed) are most vulnerable. The other household characteristics, such as female headedness, size, composition and ethnicity were less important for scores on the overall indices. Yet, scores on individual indicators of the indices were shaped by such characteristics. Therefore, I argue that for a proper understanding of livelihoods it is necessary to look beyond overall compositions of assets or vulnerabilities into individual components.

Differences between Suriname and Trinidad and Tobago are small and caused by lower access to financial assets in Suriname. Suriname's economic crisis has impeded the use of local financial institutions because saving in fast-devaluating local currency became unattractive. As a result, the prevalence and use of financial institutions in Trinidad and Tobago is larger, in comparison with Suriname. If Suriname's economy remains stable, as it has been from 2002, I expect the use of financial institutions for savings to increase. The recent high economic growth rates in Trinidad and Tobago in comparison to those in Suriname have not resulted in larger stocks of the other assets in low-income households. Moreover, the ability of households in Port of Spain to cope with shocks and stresses is not better than those in Paramaribo; they experience similar levels of vulnerability. This reconfirms that macro-economic developments do not necessarily and immediately impact on poverty and vulnerability levels of households.

My general livelihoods analysis focused on the household level, but where data allowed I have disaggregated it to the individual level and have

considered gender differences. Despite similar levels of skills and education between men and women, the access of women to the labour market is worse. They are more often unemployed than men. Low-skilled 'blue collar' jobs particularly, are not readily available and poorly accessible for women. The government sponsored work programmes, such as URP and CEPEP in Trinidad and Tobago will not impact on female unemployment. The type of jobs offered (i.e. construction, landscaping) through such programmes (implicitly) targets unemployed males.

A final exploration was the association between having an HBEA and scores on the asset- and vulnerability-indices. This revealed that households with HBEAs are significantly less vulnerable and have a larger asset base than households without such activities. HBEA-households have larger human and financial assets at their disposal and they rely on more sources and on a greater variety of income sources than households without such activities. An analysis of the data from the in-depth interviews showed that the causal direction of the relationship is two way between assets and vulnerabilities on the one hand, and HBEAs on the other. The operation of HBEAs leads to high scores on assets and non-vulnerability. Yet, such higher scores are also a condition to start HBEAs. Households with more human assets, fewer dependent household members, or more sources of income, more often started and maintained an HBEA. On the other hand, an important result of having an HBEA is an increase in the size of financial assets and income diversification. Thus, HBEAs, assets and vulnerabilities are interdependent.

8.2 HBEAs: Prevalence, Diversity and Household Vulnerability

The second research question focuses on the variety and incidence of HBEAs and their relationship with household and individual characteristics on the one hand, and motivations of people to start these activities on the other. HBEA-literature extensively discusses their incidence in various types of neighbourhoods, the range and variety of products offered, and the dominant role of women but does not often include an analysis of motivations (cf. Strassman 1987; Sinai 1998; Ghafur 2000; Kellett and Tipple 2000; Gough *et al* 2003).

More than half (59 percent) of the households surveyed in Suriname and Trinidad and Tobago operate an HBEA and 39 percent actually earn an income from these activities. The HBEA-sector entails a wide variety of activities, ranging from the sale of home-made sweet and savoury snacks, garments, child care and wood work to hair braiding and car repairs. The production and sale of food together with small-scale retail activities were the most frequently encountered activities. This general picture of HBEAs

in Paramaribo and Port of Spain is very much in line with that of HBEAs in other locations. There are no significant differences in prevalence of HBEAs between Paramaribo and Port of Spain. This reconfirms the effects of macro-economic growth need time to trickle down, if they do so at all. Moreover, households need time to build assets and households that have experienced economic growth can reverse into decline. Hence, vulnerability perpetuates and motivates people to continue spreading risk through diversification.

I had expected to find differences in the prevalence of activities between inner-city neighbourhoods and those in the urban fringes. I assumed that the nearby commercial city centre would compete with HBEAs and reduce the demand for such activities in inner-city areas. However, differences between the city centre and urban fringe were hardly found. Only subsistence agricultural activities were more prevalent in the urban fringes. The explanation for the similar scores is the type of activities that are performed. These are either everyday products, such as elementary foodstuffs or street foods that target the local community. Other activities, such as seamstresses and car mechanics, mostly offer cheaper alternatives to similar products in commercial shopping centres.

Similarly to what is argued in HBEA literature, HBEAs in the cities examined are a women's domain. In three quarters of income-generating HBEAs, a woman is involved as one of the main operators or managers. In well over half (63 percent) of income-generating HBEAs, she is the singular head of the activity. In some HBEA sectors, such as the production of food, close to eighty per cent are managed by women. Nevertheless, HBEAs are not exclusively the domain of women and in some sectors, such as car mechanics, women are absent.

The dominance of women in HBEAs is explained by two arguments. The first argument states that women prefer to operate an HBEA because this provides them with the best opportunities to fulfil their triple tasks of income generation, reproductive care and social and community activities (Afrane 2000; Gough *et al* 2003). The second, less often quoted argument, states that the high participation of women in HBEAs is not so much the result of a positive choice for this type of activity but the lack of viable alternatives (Bose 2000). HBEAs represent the only income-generating opportunity for women, whose freedom of movement is spatially and culturally limited to the home-environment and economically to reproductive labour. The type of work is financially, socially, and emotionally not rewarding to them (ibid.).

My data supports both of these arguments. Women operators appreciate their HBEA because it allows them to work from home and combine

various domestic and productive tasks. Yet, this was merely true for women who had an HBEA as a secondary source of income. For women without another source of income, HBEAs are not their preferential choice because the work is irregular, insecure, and low-paid. Many of these women pointed out that they would rather work as an employee in the regular labour market. However, many lack access to that because the number of regular jobs available is limited, especially in the lower segments of the labour market. This is also confirmed in the relatively high unemployment rates for women in the research sample, in comparison to men. Others have access to regular labour but under such conditions that they do not allow for a sustainable combination of productive and domestic tasks. A final small group is prevented from working outside the home-environment by family and household members. This means that women's opinion of having an HBEA is related to their opportunities to, and real involvement in regular labour activities, and their access to other sources of income. Then, HBEAs can be an extra source of income earned in the convenient home environment, but also a last resort for women without alternatives to earn a low and insecure income. The men that operate HBEAs also supported both of these arguments. Yet, as their alternatives to regular labour are better, their participation in HBEAs is lower. Moreover, typical male secondary jobs also include activities that are not home-based, which are outside the scope of this study.

The available literature is silent about the effect of household characteristics on the prevalence of HBEAs. The present study shows that in Suriname and Trinidad and Tobago the age/vulnerability and size of the households most strongly affect the prevalence of HBEAs. HBEAs are more often operated by larger households and households in a situation of consolidation and transition. Household in those age-dependency structures are, as I argued above, less vulnerable households. The relationship between age-dependency and HBEAs shown here reconfirms the notion that HBEAs are linked to vulnerability. However, my findings show that especially for not extremely vulnerable households, HBEAs are a viable opportunity.

I expected household vulnerability to be related to the way households operate HBEAs and the role such activities play in their livelihoods. Therefore, I have classified the HBEA-operators according to their household vulnerability. The indictors used are household dependency ratios and the availability of other sources of income within the household. Within the sample of in-depth households, 65 percent were vulnerable and 35 percent less vulnerable.

The appreciation of people to operate HBEAs, which I have discussed above, is associated with their ambition for these activities. Literature pays little attention to this, but in this study the ambition of the HBEA-operators is considered. The ambition is categorised as being business- or livelihoods-oriented. Business-oriented motivations are characterised by the wish to be ones own boss and develop flourishing business(es). The ambition is often to have such businesses generate incomes well beyond those currently earned and make other sources of income unnecessary. Livelihoods-oriented motivations on the other hand are directed towards increasing survival and stability of livelihoods. For such operators operating an HBEA means an increase in the number and variety of income sources, and availability of cash income for consumption. Yet, these operators prefer to work as employees in permanent jobs. Finally, for such operators, HBEAs foster effective use of time and space and mobilisation of every available asset. Poverty incites people to make the most of the assets at their disposal. It spurs effective use of assets and reduces 'waste'. It is expected that these two groups operate their HBEA differently and realise a different result with their HBEA.

I have classified the ambition of the HBEA-operators, for the group that was selected for in-depth interviews. The majority of 58 percent within this group operates their activity based on a livelihoods-ambition and 42 percent had a business-oriented ambition. In the overall sample of HBEA-operators, the business-orientation was less often encountered than in the sample. Hence, the livelihoods-ambition will be generally more dominant among HBEA-operators in low-income neighbourhoods in both cities.

Figure 8.1: HBEA-operator vulnerability-ambition typology

Vulnerable Livelihoods-Ambition (39%)	Not vulnerable Livelihoods-Ambition (19%)
Vulnerable Business-Ambition (26%)	Not vulnerable Business-Orientation (16%)

The hypothesis developed is that the household vulnerability and the ambition of the operator together, affect the mode of organisation of HBEAs. These two factors in combination lead to a typology of HBEA-operators, which is presented in figure 8.1.

8.3 The Impact of HBEAs on Household Livelihoods

The third question addressed in this thesis is the impact of HBEAs on the livelihoods of the households involved. Most of the available studies that assess the income of HBEAs limit themselves to absolute cash incomes,

or the relations of these to other sources of income (cf. Strassman 1987; Moser 1998; Sinai 1998; Tipple 2005b). Generally, households with HBEAs are considered to have higher incomes than those without. The HBEA-incomes earned are comparable to those in the lower brackets of the government sector (Gough *et al* 2003). Yet, most of these same authors consider income data unreliable because of the irregularity of the incomes and especially because of the lack of available data on income and profit from the entrepreneurs.

I argue that representing HBEA-results in terms of cash income paints an inaccurate as well as incomplete picture. Such a picture is inaccurate because also my experiences are that retrieving reliable income data from HBEA-operators is hardly possible. The majority of HBEA-operators were not able to provide data on costs, sales and profits because they were either not keeping records, conflated household and business budgets, or experienced large fluctuations in sales and profit. The available income data is skewed. For instance, half of HBEAs makes less than US$100 on a monthly basis, but thirteen per cent generate more than US$500. The mean income earned was indeed equal to incomes made in the lower brackets of government jobs. Yet for a large group of HBEAs incomes were well below that. Moreover, there is no such thing as paying a salary to oneself. HBEA-incomes are often channelled directly to household budgets. Incomes earned by women were lower than those of men. Women often worked in the least profitable HBEA-sectors, e.g. food preparation.

Cash income data also gives an incomplete picture of the impact of HBEAs. First of all HBEAs also produce non-tangible results, such as increased self esteem and status. This is especially important for people (often women) who have no other opportunities to earn an income. Moreover, many explained they fulfilled a demand from the community and felt more respected inside and outside the household. Furthermore, the size of cash incomes generated by HBEAs does not inform us of its role in livelihoods (i.e. sole, main or side income) and function for the overall livelihood opportunities (survival, security or relatively well-off). Few HBEA studies have considered a more qualitative assessment (but see Ghafur 2000). In terms of the development potential of HBEAs the argument is that many HBEAs lack opportunities to go beyond the level of survival and subsistence or to be the sole provider of sufficient income (Strassman 1987; Gilbert 1988; Kellett *et al* 2000).

Deriving data on the qualitative impact of HBEAs proved more feasible than on quantitative impact. Whereas HBEA-operators have difficulty presenting cash income data, they were able to qualify the role and function of HBEAs in their livelihoods. The relative importance of

HBEAs varies considerably by the households. Close to half (49 percent) of the households in our in-depth sample generated a side-income from their HBEA(s), 31 percent their main income and the remaining group (20 percent) their sole income. This was strongly related to the vulnerability-ambition typology. Side incomes prevailed among the livelihoods-oriented operators but particularly among the non-vulnerable livelihoods-oriented operators. For business-oriented operators, HBEAs were more often the sole (only in vulnerable households) or main income (both not vulnerable and vulnerable households).

The incomes earned from HBEAs are usually directed towards a specific type of expense. Slightly more than half use the money for daily expenses; a quarter save the money for times of hardship or emergencies; and the remainder reinvests everything in the HBEA or uses it for a large investment or expenditure. The type of expense the money of HBEAs is used for changes over time and is related to developments within the household composition and household vulnerability.

A final question considered here, is the impact of HBEAs on the overall livelihoods of households involved. A third of the households that operate HBEA(s) find themselves in a situation of survival. They barely manage to fulfil (locally defined) basic needs for food, clothing, housing, utility bills, transport and school fees. Many are in debt to local grocery stores and buy appliances, such as refrigerators and gas cookers, on credit. They rely on state support for basic health care. However, before operating an HBEA and without such activities (presuming they would not deploy other activities) this would more than double. This means that HBEAs play an important role in enhancing the livelihoods of households from a level of survival to a level of security. Slightly more than half (52 percent) of HBEA-operators consider their livelihoods secure. This would be a small group of only 21 percent without the operation of HBEAs. These secure households can cover their basic needs and can cope with some shocks and stresses in their livelihoods, such as illness or unexpected necessary expenditures. The remaining 11 percent are at a level of marginal to substantial improvement. This group would be five percent without HBEAs. HBEAs that produce a side income mostly contribute to stabilisation of households at both survival and security level. Where HBEAs are the main or sole income an improvement in livelihoods is accomplished more often than in other situations.

Two conclusions can be derived from these findings. A first conclusion is that, whilst the absolute income earned in HBEA is modest, their relative impact on livelihoods is substantial. HBEA-incomes secure the payment of specific and changing goals. Furthermore, HBEAs provide an income and partial independence to groups who lack alternative opportunities.

Moreover, HBEAs are important for a third of households that are able to upgrade their livelihoods from a level of survival to a level of security. However, they hardly provide opportunities to move beyond these categories. The function of HBEAs for livelihood opportunities is associated with the vulnerability/ambition typology. Vulnerable operators, despite their HBEA, most often remain at a level of survival and HBEAs assist them in their day-to-day struggle. Yet, where vulnerable operators have a business-orientation, the change to a level of security is very often made. For HBEA-operators from non-vulnerable households the picture is different. Those with a livelihoods-orientation, often remain at a level of security. If they have a business-ambition, the majority improve their livelihood opportunities from a level of survival to security and even beyond that. The second conclusion drawn therefore is that the ambition of the operator, household vulnerability in general, and the availability of other income-generating activities specifically all need to be included in an analytical model of HBEA impact. The availability of other sources of income determines the role and allocation of HBEA income and situations of high vulnerability increase the importance of HBEAs to cushion this against shocks and stresses.

8.4 HBEA-organisation and the Role of Institutions

The final question addresses the organisation of HBEAs and the role of the institutions, organisation and social relations. In terms of organisation of HBEAs, literature considers issues such as the use of labour, skills, investment, financial organisation, space, markets and formalisation. The general perspective brought forward in these texts is that micro-enterprises in general and HBEAs particularly are organised informally and strongly depend on household involvement (Kellett and Tipple 2000). In the micro-enterprise literature, as well as in informal sector studies, this is usually explained by a lack of entrepreneurial spirit on the one hand and a lack of relevant institutions in the field of skill provision and credit opportunities on the other. Women's enterprises are constrained particularly by a lack of access to institutions, such as credit facilities. HBEA-studies explain the organisation of such activities from the desire to combine various activities within HBEAs and limitation in space and planning on the other (Blumberg 2001; Ghafur 2002; Tipple 2004; Tipple 2005a).

Organisation of HBEAs

Labour is the most important production factor for HBEAs. Tools are used but mainly in support of and not instead of labour. The owner(s) and manager(s) of HBEAs are the main labourers. Nevertheless, in 37 percent of HBEAs additional labour is mobilised. This labour is preferably derived from within the household, mostly unpaid and often used flexibly. Only

six per cent of the total group of HBEAs use labour from outside the household and thirteen percent have paid employees. Please note that the managers/operators do not pay themselves a salary. Hence paid labour only relates to HBEAs that have employees other than that from the manager. The household is the most important institution where labour is concerned. There are several reasons for this. Household labour is cheaper than external labour, it can be mobilised flexibly according to fluctuating needs of the HBEAs and is considered trustworthy.

Both technical and business skills are needed in HBEAs. At the start-up of HBEAs, operators employ mostly basic-level technical skills. Such skills produce a limited range of widely available products that respond to a local demand. HBEA-operators may be skilled in a more advanced level but do not use these skills in their HBEA. They prefer to deliver known products that have a guaranteed demand on a small scale. A small group mobilises more advanced skills in their HBEA. A large majority (72 percent) derive their technical skills informally from within the household or from their immediate social networks. Only ten per cent of operators expand the skills used at a later stage. Then, formal institutions such as NGOs and government programmes play a more important role.

The business skills used in HBEAs are developed in a more or less learning-by-doing process in which the household plays an important role. Only 19 per cent of the operators have used formal institutions to learn business skills. Financial management of HBEA is either without formal bookkeeping methods (51 percent) or with rather unconventional methods (31 percent). Such methods are usually not equipped to produce reliable data on profit or income but give insight in general sales and the income that is available for immediate (household) consumption. The business skills deployed are mainly suited to analyse the value for livelihoods. This may very well satisfy HBEA-operators looking for a safe side-income but does hamper further development and growth of HBEAs.

For their first investments, three quarter of the HBEA-operators invest less than US$500 and more than half even less than US$100. The households and the immediate social networks of the household are the most important sources of investment. Formal financial institutions such as banks or micro-finance institutions play a minor role. Close to half the HBEA-operators in each country make a secondary investment. The average size of these investments is higher than the first investment. Again, also for these second investments informal sources of finance are most important although formal financial institutions are used. Operators prefer to make low-risk, cheap and flexible investments. They prefer using a small input, from their own funds to start up. If activities fail, there is

not much lost. When such funds are not enough or when activities have proven to be successful they will look for other funds. Then again, they will prefer the most flexible and risk free types of investment.

HBEAs are home-based and share space with domestic activities. Half of the encountered activities use a space that needs to be converted for other purposes. Another ten percent work from a designated area within the house or on the plot. The remaining 40 percent have a designated space outside the house, on the land. Some of them leave the plot for parts of their work, e.g. sales of snacks on the main road or outside the neighbourhood. The home-based location of HBEAs fosters simultaneous execution of HBEA- and non-HBEA related activities. On the other hand, room for physical expansion and market expansion is limited and tensions with domestic demands for space may occur.

Managing an adequate level of stock and supplies is a challenge for the majority of operators. Transport, financial space and rules and regulations of suppliers affect the method of stock keeping and ability to do this adequately. As a result, HBEA-operators may have a relatively expensive stock. Formal sources are most important for HBEAs; less than ten per cent use informal sources.

The vast majority of HBEAs (81 percent) do not leave the community to sell their products. This home-based selling is one of the convenient aspects of operating an HBEA because it allows spatial and temporal integration of activities. As a result, the neighbourhood is the only market for 45 per cent of the HBEA-operators. About a fifth only has customers from outside the community. Besides, only a quarter of the HBEAs sell their products to sources outside their immediate social network. This means that combined personal and business relations characterise much of the HBEA-customer interaction. Below, I will address what such interactions entail and how they relate to HBEA organisation and opportunities.

Institutions

I have examined the role of institutions, organisations and social relations at three levels: household, neighbourhood and city/state. At the level of the household, the household itself is a crucial institution for operators. This is well recognised institution in HBEA-literature. The household provides space, labour, investment and financial back-up to HBEAs. The availability of such household support and assets are the reasons that many HBEAs can start up, develop and generate income. Moreover, household assets enable flexible use of resources, multi-tasking and cost-reduction. Yet, this also fosters long and strenuous working days and requires supportive household relations. Moreover, the various assets the

household can offer are limited in size. Too much dependency on it constrains HBEA performance and growth beyond a basic level. In conclusion, institutions at household level are crucial for HBEA-operations at the start up and for livelihoods-orientated or vulnerable operators. Household-level institutions pose limitations at the later stages and for business-oriented operators who want to realise growth.

At the neighbourhood level, the local community is important to households because of its role as the main market. Simultaneously it is a source of trust and business support. The neighbourhood provides various opportunities to HBEAs. The local and known customers are receptive to new initiatives and willing to support neighbours 'making a dollah'. Moreover, HBEAs provide cheap services and products that respond to local needs. However, there are serious disadvantageous to this type of market as well. First of all, customers have generally low incomes and the market is limited in size. Competition is high and this reduces the sales and incomes earned through HBEAs. In addition, neighbours make large claims on credits and welfare of HBEA-operators. Finally, neighbours may become jealous when HBEAs are successful and can start frustrating the operations and sales. This makes HBEAs vulnerable and hampers growth. The benefits and disadvantages of neighbourhood markets are related to social relations. Relations of solidarity, reciprocity and harmony provide opportunities for HBEAs at a start up phase. Yet, when HBEA-households tend to move ahead and appear successful, jealousy may come into play and impact negatively on HBEAs. The literature is rather silent on these contesting relations with the neighbourhood. Portes and Sensenbrenner (1993) and Wilson (1969; 1973) however do describe this. The neighbourhood local markets are generally supportive and positive to HBEAs that have a livelihoods-orientation and experience vulnerability. They are negative towards entrepreneurs that are business-oriented and not vulnerable. The entrepreneurs that are vulnerable but business-oriented can use local markets to advance but may later on be limited in their activities by the local community.

At the macro-level of city and state, I have concentrated on organisations that provide skills, financial support and on the regulatory framework. Such organisations are considered crucial in improving entrepreneurial success. In Trinidad and Tobago, a wide range of formal institutions exist that provide low-cost and widely accessible technical and business skills. These institutions are successful in increasing general skill levels of HBEA-operators but such skills are often not deployed in the operation of HBEAs. This is explained by the fact that most HBEA-operators limit themselves to the production of basic products (often copied from others) that are risk-free and respond to a local demand. The training offered by

formal institutions maybe accessible to them but they are not relevant. Similarly, business skills offered to HBEAs are often not used in their activity. The reason is that such forms of financial management do not provide the information on financial results needed by operators. Formal and advanced technical and business skills are relevant to HBEA-operators that have a business-orientation and are used by less vulnerable households.

In Trinidad and Tobago a wide range of formal financial institutions, including micro-finance institutions (MFIs) are available. Following general ideas that a lack of access and availability of credit hampers HBEAs, one would expect more use of such institutions by HBEA-operators. However, this is not the case, at least not for first investments. In contrast, in Suriname such formal institutions are used more. For secondary investments MFIs and credit unions (CUs) are used more often in Trinidad and Tobago than in Suriname, but it remains the choice of only a small group (20 percent). Other formal financial institutions, such as hire-purchase (HP) and informal sources, such as family or ROSCAs, are more often used in both countries. ROSCAs provide cheap and accessible funding and HP, though very expensive in Trinidad and Tobago (much less in Suriname), is an alternative source for relatively risk-free and accessible credit. Thus, formal financial institutions are not used by the majority of HBEA-operators. This is explained by the fact that households aiming at livelihood security avoid debts and risk and prefer small, flexible and low-risk investments, preferably from within the household. Only when there are no or insufficient opportunities within the household, other formal and informal institutions come into the picture, but only for HBEA-operators with a business-ambition and who can and are willing to be in debt.

The degree to which more formal skills training and credit sources are accessed and mobilised corresponds first of all to the motivation of the operator. Where a livelihoods-orientation reigns, more formal sources are avoided whilst a business-orientation embraces them. Similarly, HBEAs that provide side incomes and livelihood consolidation deal less with formal macro-level institutions. HBEAs that are the main and sole income, and induce a change in livelihood opportunities, more often use formal institutions.

HBEA-operators comply with existing rules and regulations when necessary i.e. when they are viable to inspection (visible or selling to larger markets beyond community or immediate social networks). Generally though, many of the official organisations have limited capacity to actually enforce the rules, they do not work together, and for many the small home-based activities are not a priority. However, when operators need to

deal with banks, customs, some suppliers, and business development organisations, registration is a necessity. This means that as long as activities remain small and independent of institutions and are invisible to the outside world, they have little to fear from the formal authorities. According to the operators, jealous neighbours who can report HBEAs, are a larger threat.

Pattern of Organisation and Diversity

The organisation of HBEAs and the role of institutions break down into a few distinct patterns. The first pattern confirms the general picture described in the literature. Such organisation is characterised by low costs, low input, informality, and flexibility. Little investments are made in terms of money, skills and space. Furthermore, the locally based market, the often unpaid and flexible labour enables HBEA-operators to run the business at low cost and/or allows them to combine productive and reproductive tasks. Finally, the spatial, financial and social integration of productive, reproductive and domestic activities within the household reflect an ambition to reduce costs, increase the availability of money for consumption, and represents a flexible use of assets. This type of organisation prevails in the sample of HBEAs. It is dominant among operators with a livelihoods-orientation, where secondary incomes are produced that secure existing levels of livelihoods rather than improving them. Moreover, women operators match this profile, more than men operators.

Yet, other albeit less common patterns, exists as well. These HBEAs are organised more formally and rely less on the household for the supply of labour, space, finance, and skills. Their operators may draw paid labour from outside the household, have learnt additional skills, and derive investment capital from formal financial institutions. In other words, they tend to loosen ties with the household and organise their activity independently of the household. They also aim at markets beyond the household and community. Such patterns are more dominant among operators with a business-ambition. This group is able to provide the main income and sometimes a sole income through their activity. Moreover they can improve the overall level of security. The combined male-female operated activities are operated in such manner. Again, there were few differences between the organisational pattern in Suriname and Trinidad and Tobago. As I have shown above, macro-level institutions are irrelevant to a large group of HBEA-operators. As major differences between the two countries are related to the macro-context, the similarity in organisation patterns is logical.

8.5 Towards a New Framework for HBEAs and Livelihoods

This study emanated from three developments within current poverty and development thinking and action. The first was the increasing awareness from the late 1980s that HBEAs are an important livelihood activity for low-income urban households. Estimates of the incidence of HBEAs vary considerably but most scholars suggest that between a quarter and half of low-income urban households operate an HBEA (cf. Kellett and Tipple 2000). Moreover, after paid labour, an HBEA is the most frequently performed livelihood activity for such households (Moser 1998). Yet, despite the increased awareness, studies on HBEAs have been limited and restricted to a few cities in Asia, Africa and Latin America. There were no studies on HBEAs in Caribbean cities. This study contributes to the body of HBEA-literature with data on HBEAs in two Caribbean cities. The pictures of the prevalence and variety of HBEAs do not vary much between Port of Spain and Paramaribo. Moreover, it is similar to the other locations where HBEA-studies have been conducted. Hence, distinct economic conditions and city characteristics in low- and middle-income countries do not appear to impinge on the frequency and variety of HBEAs. They are part of the everyday life of a substantial part of low-income households, and particularly for women within these households, throughout cities in such countries.

A second factor leading to this study was the analytical approach taken in existing HBEA-studies. Throughout the HBEA-literature, it is acknowledged that HBEAs and the households they belong to are spatially, socially and financially intertwined (cf. Gilbert 1988; Kellett and Tipple 2000). Therefore, in my opinion, a holistic approach towards examining HBEAs is necessary. Such a perspective should encompass a household, economic and spatial perspective. Yet, existing literature on HBEAs omitted this integrated approach. With the exception of a few studies (cf. Ghafur 2000; Tipple 2006), literature focuses on one side of HBEAs: either consumption and reproduction (household perspective), or production (economic perspective) or spatial implications (planning perspective). The literature that takes on the household perspective on HBEA stems from the fields of gender and development (Bose 2000; Blumberg 2001; Chant 2002). The focus is strongly on issues of income-generation, allocation, and consumption. Issues of business development and organisation are generally neglected. The focus on economic aspects of HBEAs is mainly concerned with business and enterprise development, and stems from the academic fields of the informal sector, entrepreneurship and micro-finance. In addition, gender issues are considered (Barriteau 2002). Informal sector discussions are engaged with issues of labour conditions, informality, linkages between formal and

informal sector, and business organisation (cf Portes and Itzigsohn 1997; Tipple 2005b; Dodman 2007). Entrepreneurship debates and micro-finance are involved in questions on business development, growth, and access to institutions (cf. World Bank 2004). In this economic perspective linkages between enterprises and household livelihoods are underexposed. Urban planners finally, have discussed HBEAs as Home-Based Enterprises (HBEs). They emphasise issues of spatial implication and urban planning (cf. Kellett and Tipple 2000). Nevertheless, some attempts have been made to assess the business performance of HBEs and its importance for the households involved (Tipple 2006).

Throughout this study it has become clear that in order to fully understand the prevalence and organisation of HBEAs and their role in livelihoods, indeed a holistic approach is necessary. The livelihoods approach deployed here showed to be valuable because it allows for linkages between household and individual assets and vulnerabilities, livelihood activities, and the institutional context. Figure 8.2 shows what organisation patterns of HBEAs prevail in the different groups of the vulnerability-ambition typology and what role HBEAs play in the livelihoods of each group.

Figure 8.2: HBEA-organisation and impact on livelihoods by HBEA-operator typology

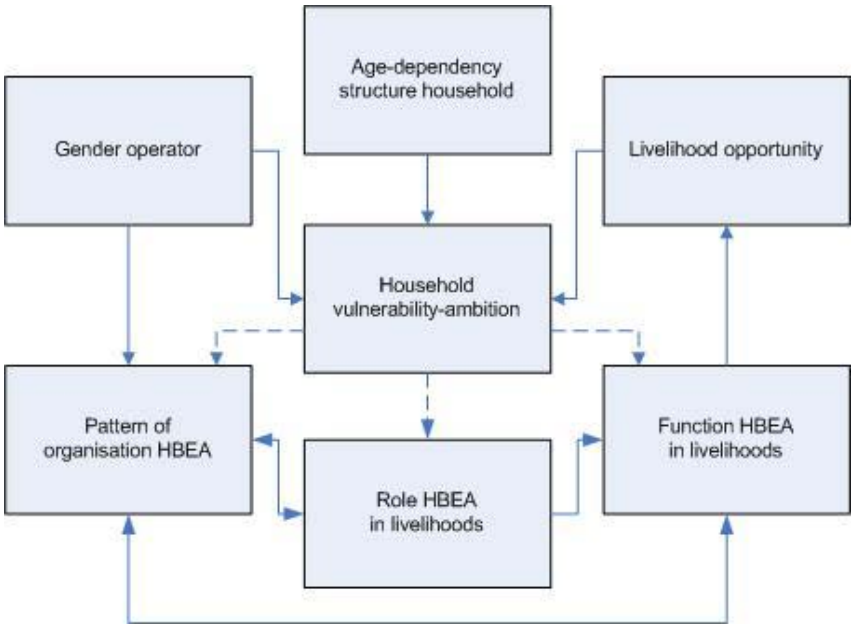
Vulnerable Livelihoods-Ambition (39%) Women operators *Pattern of organisation/institutions* Low input time Operator main labourer; no external use of paid labour; low primary investment, sometimes other source than own; low level technical skills, informally acquired moderate business skills; local market, social networks; no secondary investments; no designated space *Role in livelihoods* Small income Daily expenses and emergencies Mostly side income, some head Stable at survival or change/consolidation at level of security	**Not Vulnerable Livelihoods-Ambition (19%)** Male/male/female operators *Pattern of organisation/institutions* Low input of time; Operator main labour; no external or paid labour; low primary investment, always own funding; moderate level of technical skills, formally acquired; no business skills; local market, social networks; few secondary investment, own funds; space at home *Role in Livelihood* Very small income Emergencies/large investment Side income Few at survival, Consolidation at security or move beyond
Vulnerable Business-Ambition (26%) No gender difference *Pattern of organisation/institutions* High input of time; additional labour from with household; high primary investment, other than own sources; high input technical skills, formally acquired; high business skills; external markets; high secondary funding, from formal sources; external designated space *Role in Livelihoods* High income Daily expenses and emergencies Side, head and sole income Largest change from survival to security or beyond, substantial at survival level	**Not Vulnerable Business-Ambition (16%)** No gender difference *Pattern of organisation/institutions* High input of time; additional labour is paid& external; high primary investment, acquired from formal & own sources; high input technical skills, formally acquired; moderate business skills; external market; high input secondary investment, formal sources; external space *Role in livelihoods* Higher incomes Daily expenses and all others Head and sole income Both change to and consolidation at security of beyond

The study has brought forward that household and individual diversity; household assets and vulnerabilities; the pattern of HBEA-organisation; the role of institutions in this; and the role and function of HBEAs in livelihoods, are interdependent. First of all, household and individual characteristics impact on the prevalence of HBEAs. Particularly the age-dependency structure of the household and the gender of individuals are related: households in situations of consolidation and transition and women operate HBEAs more often. Second, the combination of household vulnerability and the ambition of the operator are related to the role of HBEAs in livelihoods. Livelihoods-oriented operators realise secondary incomes while business-oriented operators realise main or sole incomes. Furthermore, vulnerable households spend HBEA-incomes on daily necessities and emergencies and less vulnerable households on long term investments. Third, the ambition and gender of the operator are related to the organisational pattern of HBEAs. Women and livelihoods-oriented operators organise their HBEA less formally, with lower input of skills and fewer secondary sources of finance than male operators. They interact less with formal macro-level institutions and depend on micro- and meso-level institutions. In addition, vulnerable households rely more on formal institutions for primary investment and invest fewer technical but more business skills. Fourth, the pattern of HBEA organisation impacts on the role of HBEAs in livelihoods. A more formal organisation means a larger role of HBEAs in livelihoods and an informal manner of organisation is associated with a side income. Finally, the pattern of organisation, the role of the HBEA in livelihoods and household vulnerability and ambition of the operator determine the function of HBEAs in livelihood. Side incomes can realise consolidation at survival or security level, whereas HBEAs that are sole and head income can realise a change. More formal patterns of organisation induce a change while informal patterns more often realise consolidation. The vulnerable households more often remain at a survival level or manage to move to security, whereas non-vulnerable households can move beyond that. The next graph 8.3 portrays the above relations:

In addition the study has produced useful insights for the livelihoods debate. Livelihoods studies have paid little attention to HBEAs. Urban livelihoods studies are few and within those studies, the focus is on the role of human and social assets. As far as HBEAs have been considered, conclusions have more or less been limited to the acknowledgement of the importance of the home as the second most important asset in urban livelihoods (cf. Moser 1998; Beall and Kanji 1999). Moreover, early livelihoods studies focused on qualitative examination of access to human, productive, natural, financial, social and political assets. More recent livelihoods studies go beyond this agency level and position these assets and activities in a vulnerability context of gradual trends and sudden

shocks and in the social context of institutions and organisations (Ellis 2000; De Haan and Zoomers 2005). This study adds to the livelihoods debate in various ways. First of all, it has developed a more quantitative way to assess livelihoods through the use of the asset- and vulnerability-index. Furthermore, it has widened the focus on urban assets to include productive assets and it links the access and use of this asset with the institutional context. The study has shown that especially household-level and neighbourhood-level institutions are important. Moreover, neighbourhood relations are not all supportive and stimulating. They can frustrate and constrain livelihood activities as well. Finally, household diversity is a central notion in livelihoods but few empirical data existed on the relation between livelihoods and lifecycle aspects of the household. The age-dependency structure developed is more widely applicable than the original household life-cycle concept and shows to be very strongly related to livelihoods.

Figure 8.3: Relations between diversity, HBEA-organisation and livelihoods



At the beginning of this section I stated that HBEAs are increasingly acknowledged as valuable for urban livelihoods. Yet, its value was measured in cash income and not related to individual and households characteristics. The data in the study shows that HBEAs produce modest cash incomes. Moreover, for half they are a secondary side income. Yet, qualifying such incomes as 'marginal' would be wrong. As I have shown, HBEAs produce non-tangible results that impact on the quality of life and levels of well being. Second, HBEAs are an important tool in improving

levels of livelihoods from survival to security. Where they do not realise improvement at least they consolidate existing levels and support decreased vulnerability through increased diversification.

Nevertheless, the potential of HBEAs for the livelihoods of low-income households should not be overestimated. First of all, few households can and prefer to rely only on HBEAs for their total income. The incomes generated are too small and the growth potential of HBEAs is limited. This would require changes in the organisational pattern that are not realistic. First of all, it would increase household vulnerability because it implies reduction of other livelihood activities. Second, many HBEAs are managed by people with a livelihoods-attitude. They are not aiming at business growth and development, but at livelihood security. Hence, business growth, innovation, and risk are not on their list and even counter their ambition. Second, as I discussed above, the function of HBEAs depends on various individual and household characteristics. HBEAs do not have the same potential for everybody. Especially, vulnerable households and livelihoods-oriented operators have less to expect from HBEAs. And what's more vulnerable households less often operate an HBEA. This means that the classic entrepreneur is very different from the majority of HBEA-operators.

To clarify the latter remark I want to go back to the asset- and (non-) vulnerability-indices that have been developed for this research. These show that households that operate an HBEA attain significantly better scores on assets and vulnerability than households without such activities. Yet, this better livelihood position of households with HBEAs is the result, as well as the starting-point, for households. In other words, HBEAs contribute to reducing vulnerability and increased assets but most households that start HBEAs are not extremely vulnerable and have some assets at their disposal. HBEAs are more prevalent among households in situations of consolidation and transformation, which are generally less vulnerable. Households that are less vulnerable can support HBEAs with start up capital and cushion against flaws and backdrops in their HBEAs. They provide the space to take some risk in starting activities or nurture a new activity. Households in a vulnerable situation may be eager to develop such activities but lack the social and economic space to do so, and need to maintain a very careful, risk free approach. Consequently, the sample of households that was selected for in-depth interviews was less vulnerable than the large survey population. The HBEA potential for households not currently operating HBEAs therefore should not be overestimated. In a context of increasing economic liberalisation, I expect income- and employment security to decline and vulnerability to increase. Opportunities to start HBEAs then decrease while the need for income

from such activities may grow. To the extent HBEAs are started, livelihoods-ambition will guide their organisation.

8.6 Policy Recommendations and Further Research

Finally, this study emerged from current developments in development practice. From the 1980s onwards, neo-liberal ideas have increasingly influenced policy debates and practice. One of the results has been a general belief that micro and small entrepreneurship are central to poverty reduction. Hence, stimulation of entrepreneurship among the poor is a central goal of current development policies. Perceptions of business development view a lack of access to credit, absence of business skills and the informal character of enterprises as major constraints for business development. Precisely these issues are addressed in current development programmes. A prominent position in this is taken by micro-finance. This has become something almost like a mantra (Yunus 1999; Lont and Hospes 2004). These developments give way to questions regarding the opportunities that small and micro-entrepreneurship provide, the relevance of tools such as micro-finance, and for whom that is the case.

Trinidad and Tobago in comparison to Suriname has implemented many institutions to foster entrepreneurship. The Vision 2020 policy document breaths the ambition to develop entrepreneurship in the country. In practice, this ambition has the shape of organisations and institutions that focus on funding/micro-credit, skills training and coaching. This study shows that formal institutions, aiming at the support of micro-enterprises are irrelevant to the majority of HBEA-entrepreneurs. This is not to say that they are irrelevant as such, but they may in practice target other groups (see also Heijboer 2006). There are several reasons why they are not relevant for a large group. Some of the reasons are related to a lack of information and knowledge, access and psychological barriers. People for instance expect MFIs to be expensive, cannot fulfil requirements in terms of collateral or co-signing, or are demotivated by the paperwork involved. More important is the fact that these organisations provide products that do not suit the needs of the majority of HBEA-operators. Livelihoods-oriented operators look for low-risk, low maintenance and flexible activities that generate cash income for livelihoods. They are not interested in business growth and taking risk. They do not have the ambition to develop innovative products with specialist skills. Moreover, the irregularity in their HBEA and livelihood insecurity makes them prefer flexible and risk free investments. ROSCAs and HP (despite its high costs in Trinidad and Tobago), suit this ambition. The product of the formal business development organisations is relevant for business-oriented HBEA-operators. Yet, even for this group they are mostly used at a secondary stage when activities have proven to be successful.

This brings me to a few policy recommendations. First of all, it is should be understood that micro-finance and business development organisations are relevant for only a fraction of HBEA-entrepreneurs and most likely a fraction of micro-entrepreneurs. This is the group of entrepreneurs that have a business-orientation with established businesses. Consequently, for a large group of entrepreneurs or potential entrepreneurs such organisations and policies are irrelevant. Policies that would support their businesses are further deregulation, support in getting access to cheap supplies and stimulation of cooperative initiatives. Nevertheless, even such policies would have little impact on the HBEAs since these operators have no ambition to develop their activity. It is import to build policies for groups of HBEA-operators that do not have the profile of the classic entrepreneur. For them, however, effective policies may be outside the realm of credit and business support.

The second policy recommendation to be concluded from this thesis is that micro-entrepreneurship is not the solution to poverty. At least it is not for everybody. There is a large group of people who do not want to have enterprises but prefer to work for an employer. Or, people may have enterprises but will always have them in addition to other livelihood activities. One of the characteristics classically allocated to entrepreneurs is that they are willing to take risks. This is something only a few people are generally willing to do. How many of us want to give up a regular job with monthly pay check for an insecure economic life? And how many will do that if their life is as insecure as that of the households in the neighbourhoods of this research? Few will. For the others, getting access to regular labour is the goal. For them, increasing skills and education and stimulation of the middle and large size businesses are important tools. The focus on micro-entrepreneurship in Trinidad and Tobago and increasingly in Suriname should not be at the cost of that. This is particularly important for women as they have most limited access to the labour market.

Finally, there is a need for a chorus to counter the praises sung for 'access to credit for the poor'. The increased accessibility of credit facilities for poor people has certainly contributed to their livelihood opportunities. For example, the low-cost HP facilities in Suriname provide opportunities for low-income groups to obtain essential assets. Yet, in the discussions and policies on this, there is only attention paid to the opportunities and benefits of credit. There is however, another side to credit and that is debt. I have interviewed several people with very high debts with various formal institutions. Rather than improving livelihoods, credit may well further deprive them. This is increasingly recognised in countries such as The Netherlands or the United States (cf. Scurlock 2007) but is hardly questioned in relation to developing countries. Neither Trinidad and

Tobago nor Suriname has a comprehensive central registrar of credit or institution that support people with debts. This would be a recommendation.

Further research into HBEAs in the Caribbean should definitely consider ethnic differentiations. It was not possible to consider this properly in this study. Other urban centres in Trinidad and Tobago provide such opportunities. Another interesting issue would be to compare the use of institutions in The Caribbean (middle-income countries) to those in low-income countries. To assess the impact of change it would be interesting to conduct a longitudinal study of households operating such activities. How do activities develop, change, and how do they impact on livelihoods in the course of time. Finally, I would strongly support a study into the debt situation of low-income households as a result of increased access to credit, be it micro-finance, HP or commercial banks. Finally, it is interesting to discuss whether HBEAs are a phenomenon that is typical of poorer households in poorer urban areas in poorer countries and will disappear when social-economic situations improve, or whether such activities will always develop aside of formal economic activities in a capitalist system (cf. Gilbert 1988). Therefore, it would be interesting to analyse the existence, role and functioning of HBEAs in richer and poorer areas in cities in the USA and Europe and compare these with HBEAs in the 'Economic South'. I assume that combinations of household vulnerability, institutions and ambition will be relevant throughout these locations and make the difference between people pursuing an ambition to have a thriving business and those stating: 'Nah, business? It ain't no business! It's just something I do to keep me going'.

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APPENDIX

List of Interviewees

Below is a list of representatives of organizations and key informants who have been interviewed for the study. For reasons of anonymity, the names of representatives of organisations have been omitted.

Trinidad and Tobago 2002 (no exact dates)

Economic Commission for Latin America and the Caribbean (ECLAC)	October
UNDP (Nicola Cross)	October
Rhoda Reddock	October
Asad Mohammed	October
Angelique Balbosa	October
Rosemary Defour	October
Hazel Brown (network NGOs of Trinidad & Tobago)	October
Canadian High Commission	October
Gregory Sloan seal/ Miki Sven Grant (YMCA)	October
Robin Rajack	October
Ancil Kirk	October
Winifred David	October
Business Development Company	October
International Labour Organisation (ILO)	October
Jubelange	October
Marie Heinz	October
Ministry of community Development	October
East port of Spain community centre	October
Dutch Embassy	October
NEDCO	October

Suriname 2003

Macro-level organizations

Formalisation	
Chamber of Commerce	February 25th
Public Health Authorities (food inspection)	May 29th
District Commissioner	May 28th
Financial Institutions	
VCB bank (commercial bank)	May 15th
CLO-Labour Union (hire-purchase)	May 21st
Post bank (commercial bank)	May ND
Godo (credit union)	May ND

General/Orientation

Marten Schalkwijk (NIKOS/DOE)	January 7th
Sharda Ganga (Projecta)	January 7th
Derryck Ferrier (CESWO)	January/June
Eline Graanoogst (Min. of Trade and Industry)	January ND

Hans Lim a Po (Lim a Po Institute)	January ND
Siegmien Staphorst (NVB)	January 25th
Dutch Embassy	January 17th
Cornelie Oliviera (WBG)	January 27th

Meso-level organisation

7th Day Adventist Church-Nieuwweergevondenweg	April 23rd

Trinidad and Tobago 2003

General/Macro-Level

Dr. David Brown (UWI)	July 17th
Ministry of Labour, Co-operative Division	July 17th
Central Statistical Office	July 17th
Dr Reynold Simons (ILO)	October 6th
Planning Commission	October 6th
Ministry of Town and Country Planning	October 7th
ECLAC	October 9th
Ministry of Health: Chemistry, Food & Drugs Division	November 26th
Ministry of Labour and Small and Micro Enterprise Development: Enterprise Development Division	November 26th

Meso-level Organisations

Gonzales	
Jubilange Community Cooperative	July /Aug /Nov
East Port of Spain Council of Community Organisations	July 12th
Community informants Gonzales (four men)	July 18th
Community Council	November 11th
Gonzales United Youth Moment	November 12th
Gonzales Sheikers steelorchestra	November 12th
St. Martins' Catholic Church	November 16th
Mount d'Or	
Warden Village Council Mount d'Or (and 6 active women)	September 12th
Parent Teacher Association	November 4th
Jeanet Kernahan (Warden, PNM, Village Council, URP)	October 28th
Mount d'Or sports and Cultural Club	November 5th
Principal primary school	November 6th
St Jude's Chapel	November 6th
PNM-party group	November 7th
Mount d'Or Cultural Performers (MDCP)	November 9th
Village Council Mount d'Or	November 14th

Suriname 2004

Macro-level

Formalisation	
Bureau Openbare Gezondheid (BOG)	October 8th
Inland Revenue Department	October 14th
KKF (Chamber of Commerce)	October 13th
Ministry of Trade and Industry	October 25th
Cadastre/GLIS (Erik Schalkwijk)	October 12th
Financial Organisations	
De Schakel (Credit Union)	November 2nd

Godo (Credit Union)	October 11th
Kirpalani's (hre-purchase)	November 12th
Hire-purchase Broker	November 22nd
DSB (commercial bank)	October 27th
Hakrin Bank (commercial bank)	October 12th
VCB (commercial bank	October 27th
Business development	
Vereniging Surinaams Bedrijfsleven (VSB)	October 13th
Women in Business Group WiB	October 25th
SPWE	October 27th
AKMOS	October 14th
Poverty alleviation	
Forum NGO's/Sheila Kethwaru	November 4th
Planbureau Suriname	October 27th
Education	
Vakschool (SAO)	October 19th
Nationale Vrouwenbeweging –NVB	October 23rd
Suppliers	
Combe markt	November 2nd
Fernandes	October 19th
Subisco	November 4th
Energie Bedrijven Suriname (EBS) (energy)	Telephone
Surinaamse Waterleiding Maatschappij (SWM) (water)	Telephone
General	
Derryck Ferrier	October/Nov.
Marcel Meijer	Novem. 6th
Marten Schalkwijk	October/Nov.
Kurt Jessurun	October ND
Cor Pigot	November 13th
Meso-level	
Public School Charlesburg	November 9th
Child Care 7th day in Nieuweeergevondenweg	November 11th
District resort bestuursdienst Charlesburg	November 4th
Michi (Large HBEA)	November 15th
Surali (Large HBEA)	November 5th
Inifinity (Large HBEA)	November 5th

Trinidad and Tobago 2005

Macro-Level	
Formalisation	
Public Health Inspectorate, St. George Central (Barataria)	February 24th
Public Health Inspectorate, St. George West (Belmont)	February 2nd
Public Health Inspectorate, Port of Spain	February 15th
Inland Revenue Department	February 25th
Ministry of Town and Country Planning	February 16th
Ministry of Housing, Land Settlement Agency	April 8th
Port of Spain City Corporation	February 2nd

Skills Training	
Export Centre Company Ltd (ECCL)	April 7th
Youth Training and Employment Partnership Programme (YTEPP)	April 4th
Ministry of Community Development, Culture and Gender Affairs	April 12th
Ministry of Education	February16th
Business Development	
NEDCO-Regional Entrepreneurship Development Centre Tunapuna	April 7th
NEDCO-Regional Entrepreneurship Development Centre Port of Spain	April 4th
NEDCO-Entrepreneurial Training Institute & Incubation Centre (ETIIC)	March 10th
Micro Enterprise Loan Facility (MEL)	April 12th
Ministry of Labour and Small and Micro-Enterprises Development	February 23rd
Business Development Company (BDC)	February18th
Colin Mac Donald	February ND
Financial institutions	
Co-operative Credit Union League of Trinidad and Tobago (CCULTT)	January 26th
Eastern Credit Union (ECU)	February 3rd
First Citizens' Bank (FCB)	February 1st
Republic Bank (RB)	February 16th
First National Credit Union (FNCU)	February 17th
UNITRUST	January 21st
Singer (hire-purchase)	February 17th
Standard (hire-purchase)	February 15th
Poverty alleviation	
Community-based Environmental Protection and Enhancement Programme (CEPEP)	February 14th
Ministry of Social Development/Poverty Reduction	February 15th
Central Statistical Office (CSO)	April 4th
Suppliers	
Bermudez Biscuit Company Ltd.	February 21st
Caribbean Bottling Company Ltd.	February 28th
Infrastructure	
Trinidad and Tobago Electricity Commission (TTEC)	Telephone
The Water and Sewerage Authority of Trinidad and Tobago (WASA)	Telephone
General	
Norman Girvan	

Meso-level

Jeanet Kernahan	Several times
Malcolm Kernahan	April 3rd
Father Jason	February 3rd
Councillor Gonzales	April 8th

SAMENVATTING

Deze studie gaat over Huisgebonden Economische Activiteiten (HBEAs) in Paramaribo, Suriname en Port of Spain, Trinidad and Tobago. Centraal staat de vraag onder wat voor soort condities huishoudens HBEAs opereren en hoe deze bijdragen aan de bestaansverwerving van de betrokken huishoudens. HBEAs zijn economische activiteiten die tenminste voor een deel in de woning of op het erf uitgevoerd worden. De nadruk in dit onderzoek, ligt op inkomensgenererende HBEAs maar er is ook aandacht voor (agrarische) activiteiten rondom het huis die direct bijdragen aan huishoudconsumptie.

Carolyne Moser (1998) vond in een onderzoek naar stedelijke bestaansverwerving dat HBEAs na betaalde arbeid de meest uitgeoefende economische activiteit van arme stedelijke huishoudens is. In de literatuur is weinig aandacht voor HBEAs en in studies over steden in het Caribisch gebied wordt hieraan zelfs geheel voorbij gegaan. Eén van de centrale kenmerken van HBEAs is hun sterke ruimtelijke, sociale en financiële vervlechting met het huishouden. In die zin zijn HBEAs zeker geen nieuw fenomeen want voor de industriële revolutie was functiemenging in woningen de geldende norm. Een scheiding van wonen en werken kwam pas later en is, zoals mijn studie bevestigt, zeker niet universeel. In de hedendaagse HBEA-literatuur ontbreekt in feite een integrale benadering die de bedrijfsmatige kant van HBEAs bekijkt in relatie tot de sociaaleconomische situatie van de betrokken huishoudens. De huidige literatuur hanteert òf een huishoudperspectief (voornamelijk in *gender*studies), òf een bedrijfsmatig perspectief (vooral in informele sector studies en debatten over micro-ondernemerschap) òf kijkt vooral naar de ruimtelijke integratie en ruimtelijke implicaties van HBEAs (vooral in planologische studies).

Deze studie bekijkt HBEAs op integrale wijze en gebruikte hiervoor de bestaansverwervings-benadering (*livelihoods approach*). Deze benadering ligt ten grondslag aan veel van de huidige discussies en onderzoeken naar en discussies over armoede en kwetsbaarheid. Ze benadrukt de complexiteit, diversiteit en het dynamische karakter van armoede en hanteert deprivatie en kwetsbaarheid als centrale begrippen. Het uitgangspunt is dat huishoudens, individuen en gemeenschappen op basis van de bronnen die voor hen beschikbaar en toegankelijk zijn en de doelen die zij nastreven, bestaansverwervingsactiviteiten ontwikkelen. Bronnen worden onderverdeeld in menselijke (kennis, vaardigheden, arbeidstijd en gezondheid), productieve (bijvoorbeeld huis, gereedschappen), sociale (relaties gebaseerd of wederkerigheid en vertrouwen), financiële (toegang tot spaartegoeden en krediet) en natuurlijke (land). Eén van deze

activiteiten is een HBEA. Met hun bestaansverwervingsactivteiten proberen mensen hun bestaanssituatie te consolideren, zekerder te maken of structureel te verbeteren. Huishoudens en individuen opereren niet in een vacuüm. De mate waarin bronnen en activiteiten toegankelijk en beschikbaar zijn en de doelen die mensen nastreven, hangen deels af van de bestaande institutionele context: instituties, organisaties en sociale relaties.

In actuele discussies en beleidsstukken over armoede en ontwikkeling neemt ondernemerschap, en recentelijk vooral micro-ondernemerschap, een centrale plaats in. De visie is dat micro-ondernemerschap werkgelegenheid genereert en de zelfredzaamheid van mensen verhoogt. Om micro-ondernemerschap onder arme mensen te stimuleren, wordt toegang tot microfinanciering als cruciaal beschouwd. In dit onderzoek wordt dan ook uitgebreid aandacht besteed aan de wijze waarop mensen HBEAs financieren.

Voor deze studie is uitgebreid veldonderzoek naar HBEAs gedaan in vier lage inkomenswijken in Paramaribo en Port of Spain, de hoofdsteden van Suriname en Trinidad en Tobago. Deze landen delen een geschiedenis van koloniale overheersing, slavernij en (Brits)-Indische immigratie, die zichtbaar is in de multi-etnische samenstelling van de hedendaagse bevolking. Economisch zijn beide landen sterk afhankelijk van de export van natuurlijke hulpbronnen, Trinidad en Tobago van ruwe olie en gas en Suriname van bauxiet, en daardoor van schommelingen in wereldmarktprijzen. Ernstige economische crises teisterden beide landen in de jaren tachtig. Vanaf de jaren negentig hebben politieke en economische ontwikkelingen een ander pad genomen. De economie van Trinidad en Tobago is vanaf 1993 elk jaar gegroeid en vanaf de millenniumwisseling zelfs met zeer hoge cijfers. De eenzijdige afhankelijkheid van olie maakt langzamerhand plaats voor een meer diverse economie waarin industrie en zakelijke dienstverlening een belangrijke rol spelen. Suriname echter, herstelt pas recentelijk van de economische crisis die het land tenminste 20 jaar in zijn greep hield. Goud en olie zijn veelbelovende economische sectoren, maar vooralsnog drijft de economie op bauxiet en is daardoor nog steeds zeer kwetsbaar. De industriële sector is nauwelijks ontwikkeld en de overheid is de grootste werkgever. Suriname scoort slechter dan Trinidad en Tobago op bijvoorbeeld de 'Human Development Index'. Beiden scoren echter beduidend beter dan veel Afrikaanse landen en zijn het beste te kwalificeren als middeninkomenslanden. Armoedecijfers van beide landen zijn slecht vergelijkbaar maar geven aan dat het percentage armen in Suriname hoger is dan in Trinidad en Tobago. Echter, armoede is bepaald niet verdwenen uit het laatstgenoemde land. Het economisch en ontwikkelingsbeleid van Trinidad en Tobago wordt sinds de late jaren

tachtig gevoed door het neoliberaal gedachtegoed en is gericht op stimuleren van de particuliere sector. De overheid echter ondersteunt deze doelstelling door de initiëring en financiering van allerhande programma's en projecten. Zo zijn meerdere organisaties opgericht die de ontwikkeling van ondernemingen ondersteunen, bijvoorbeeld door cursussen in technische en bedrijfeconomische vaardigheden aan te bieden of door (micro)krediet te verstrekken. Het beleid in Suriname is minder uitgesproken gericht op de versterking van de particuliere sector. Er bestaan veel minder faciliteiten die ondernemers kunnen ondersteunen of de ontwikkeling van de particuliere sector stimuleren.

De stedelijke agglomeraties Paramaribo en Port of Spain tellen beiden ongeveer 250.000 inwoners. Paramaribo is een uitgestrekte stad met voornamelijk laagbouw. Veel wijken, inclusief de arme, zijn etnisch gemengd. Port of Spain is een compactere stad. De bevolking is in termen van klasse en etniciteit gesegregeerder dan die van Paramaribo en de arme bevolking is voornamelijk van Afro-Trinidadiaanse herkomst. Voor deze studie is in beide steden een lage inkomenswijk nabij het stadscentrum (Krepi in Paramaribo en Gonzales in Port of Spain) en één aan de rand van de stad geselecteerd gekozen (Nieuwweergevondenweg in Paramaribo en Mount d'Or in Trinidad and Tobago).

Data voor dit onderzoek zijn verzameld gedurende twee veldwerkperioden in iedere stad. Zowel kwantitatieve als kwalitatieve methoden zijn gebruikt. Allereerst is een enquête gehouden onder 393 huishoudens in de geselecteerde wijken, onder andere om de frequentie en aard van HBEAs in kaart te brengen. Vervolgens zijn de hoofdverantwoordelijken van honderd HBEAs uit tachtig huishoudens geïnterviewd. Daarnaast zijn interviews gehouden met vertegenwoordigers van relevante organisaties en instituten op macroniveau (ongeveer 60) en mesoniveau (ongeveer 25). In de vier wijken zijn verder focusgroep discussies gehouden en GIS-data verzameld. Ten slotte is met een breed scala aan deskundigen, beleidsmakers en wetenschappers in beide locaties gesproken.

Stedelijke bestaansverwerving in Paramaribo en Port of Spain

De eerste vraag die gesteld wordt is hoe de bestaansverwerving van lage inkomensgroepen in de twee onderzochte steden eruit ziet. De verzamelde informatie bevestigt bestaande visies hierover. Zo is betaald werk veruit de meest uitgevoerde inkomensgenererende activiteit, gevolgd door het hebben van een HBEA. Daarnaast zijn overmakingen uit het buitenland, giften van binnenlandse sociale netwerken en sociale zekerheidsuitkeringen bronnen van inkomenten. Tenslotte haalt de overgrote meerderheid van huishoudens hun inkomen uit tenminste twee bronnen.

Tot op heden is bestaansverwerving vooral beschreven en geanalyseerd in kwalitatieve termen. Dit was zeker een verbetering ten opzichte van traditionele analyses van armoede, maar een zekere mate van kwantificering is wel zinvol, omdat dit een vergelijking van bestaansverwerving tussen verschillende landen en verschillende segmenten van de bevolking mogelijk maakt. In deze studie zijn een bronnen- en kwetsbaarheidindex ontwikkeld. De index van bronnen laat de omvang en samenstelling van de menselijke, financiële, sociale and productieve bronnen van huishoudens zien. De kwetsbaarheidindex geeft de mate aan waarin huishoudens door middel van inkomensdiversificatie, inkomensregelmaat en als gevolg van hun samenstelling, bestand zijn tegen onverwachte negatieve gebeurtenissen of langdurige stress.

De scores van huishoudens op deze indexen zijn gerelateerd aan verschillende huishoudkenmerken: *gender* van het hoofd, de samenstelling (nucleair of uitgebreid), de dominante etniciteit en de leeftijd/afhankelijkheidsstructuur[155]. Hieruit komt naar voren dat de leeftijd/afhankelijkheidsstructuur van huishoudens de meeste invloed heeft op scores op zowel de bronnen- als de kwetsbaarheidindex. Huishoudens in een situatie van consolidatie en transitie zijn minder kwetsbaar en hebben meer bronnen tot hun beschikking dan expanderende en uiteenvallende huishoudens. De andere huishoudkarakteristieken zijn minder belangrijk voor de scores op de totale indices maar wel voor scores op individuele indicatoren. Huishoudens in Paramaribo en Port of Spain hebben dezelfde toegang tot bronnen en zijn in gelijke mate kwetsbaar. Verschillen hebben vooral betrekking op de toegang tot financiële bronnen. De kleine verschillen tussen beide landen geven aan dat de huidige gunstige economische ontwikkelingen in Trinidad en Tobago niet meteen en niet zondermeer hun weerslag hebben op structurele aspecten van armoede zoals kwetsbaarheid of een gebrek aan scholing. Op individueel niveau blijkt dat ondanks vergelijkbare opleidingsniveaus de toegang van vrouwen tot de arbeidsmarkt veel beperkter is dan voor mannen. Vooral laaggekwalificeerde vrouwen ondervinden problemen.

[155] De leeftijd/afhankelijksstructuur is gerelateerd aan het concept van de huishoudlevenscyclus en beschouwt de samenstelling van het huishoudens op basis van de leeftijdsverdeling en de verhouding tussen afhankelijke en onafhankelijke leden. Er worden verschillende situaties onderscheiden: uitbreiding, consolidatie, transitie en uiteenvalling.

HBEAs: frequentie en diversiteit

De tweede vraag in het onderzoek betreft de frequentie en diversiteit van HBEAs. Meer dan de helft (59 procent) van de geënquêteerde huishoudens exploiteert een HBEA en 39 procent verdient daar daadwerkelijk geld mee. Onder de koepel van HBEAs vindt men een scala aan activiteiten variërend van de verkoop van huisgemaakte zoete en hartige snacks, het maken van kleding en kinderoppas tot auto reparatie, haarverzorging en houtbewerking. Wederverkoop van kruidenierswaren en voedselproductie zijn de meest uitgeoefende activiteiten. Het beeld wat naar voren komt uit Paramaribo en Port of Spain is vergelijkbaar met wat studies in andere locaties hebben laten zien. Ook tussen Paramaribo en Port of Spain bestaan weinig verschillen. Dit laat zien dat een veranderende macro-economische context niet meteen effect heeft op het voorkomen van HBEAs. De reden hiervoor is dat huishoudens tijd nodig hebben om hun bronnen op te bouwen en beseffen dat economische groei om kan slaan in economische crisis. De kwetsbaarheid van huishoudens duurt dus voort en dit motiveert mensen hun risico's te spreiden.

De verwachting was dat de nabijheid van een commercieel centrum in de binnenstad zou concurreren met HBEAs en zou resulteren in een lager aantal HBEAs in de binnenstadswijken. Deze verwachting is niet uitgekomen. De verklaring hiervoor ligt in de aard van de producten die HBEAs aanbieden. Dit zijn vaak goedkope goederen en diensten voor dagelijks gebruik zoals kruidenierswaren of straatvoedsel. Andere HBEA-ondernemers zoals naaisters of automonteurs bieden hun diensten vaak beduidend goedkoper aan dan in formele commerciële centra. Er is dus geen sprake van concurrentie maar aanvulling op commerciële activiteiten in de binnenstad.

Geheel in overeenstemming met de bevindingen van HBEA-studies in andere locaties, domineren vrouwen de HBEA-sector in Paramaribo en Port of Spain. In driekwart van de HBEAs is een vrouw de hoofduitvoerder (63 procent) of één van de twee eigenaren/managers (12 procent). HBEAs zijn echter niet uitsluitend het domein van vrouwen en in sommige sectoren, zoals autoreparatie, zijn vrouwen geheel afwezig. Twee verschillende redeneringen verklaren de oververtegenwoordiging van vrouwen in HBEAs. De eerste stelt dat vrouwen een HBEA prefereren boven andere vormen van betaald werk, omdat het ze de beste mogelijkheden biedt om zorg-, economische en sociale taken te combineren. De tweede redenering gaat er vanuit dat vrouwen door gebrek aan alternatieven een HBEA beginnen. Vrouwen halen noch financiële, noch sociale noch emotionele voldoening uit hun HBEAs. Dit onderzoek bevestigt beide argumenten. Vrouwen waarderen hun HBEA omdat het ze in staat stelt verschillende taken te combineren. Dit geldt

echter vooral voor vrouwen die een HBEA als secundaire economische activiteit uitoefenen en niet voor vrouwen zonder andere bronnen van inkomsten. De laatsten benadrukken juist vaak het lage, onregelmatige en onzekere inkomen van HBEAs en zouden liever als werknemer in de reguliere arbeidsmarkt werken. Echter, zoals hierboven aangegeven, is het aanbod van laaggeschoold werk voor vrouwen beperkt. Banen die een duurzame combinatie van arbeid en zorg toestaan, zijn nog veel schaarser. Voor een kleine groep vrouwen geldt dat zij door culturele normen en waarden gedwongen hun economische activiteiten binnenshuis te ontwikkelen.

De mening die vrouwen hebben over hun HBEA wordt dus bepaald door hun kansen en werkelijke betrokkenheid in de reguliere arbeidsmarkt, en hun toegang tot alternatieve bronnen van inkomsten. HBEAs kunnen dan ook zowel een kans zijn om een extra inkomen te verdienen terwijl men thuis is en andere taken uit kan voeren als de enige mogelijkheid tot het vergaren van een laag en onzeker inkomen. HBEAs komen vaker voor onder grotere huishoudens en huishoudens in stadia van leeftijd/afhankelijkheid die als minder kwetsbaar bekend staan. HBEAs lijken dan ook voornamelijk een bestaansmogelijkheid voor de iets minder kwetsbare huishoudens te zijn.

De relatie tussen het al dan niet hebben van een HBEA en scores op de twee indices bevestigt dit laatste. Huishoudens met een HBEA blijken significant minder kwetsbaar zijn en meer bronnen tot hun beschikking hebben dan huishoudens zonder HBEA. De richting van de causaliteit gaat echter twee kanten uit. Door HBEAs zijn huishoudens minder kwetsbaar en vergroten zij hun toegang tot financiële bronnen. Maar, juist voor huishoudens die minder kwetsbaar zijn, bijvoorbeeld doordat ze minder afhankelijke leden hebben, meerdere bronnen van inkomsten tot hun beschikking hebben of betere geschoold zijn, is het eenvoudiger een HBEA te starten en in stand te houden. Met andere woorden: HBEAs, kwetsbaarheid en bronnen zijn onderling afhankelijk.

Mijn verwachting was dat voor kwetsbare huishoudens (58 procent) HBEAs een andere rol spelen in hun bestaansverwerving en dat zij hun HBEAs anders organiseren dan minder kwetsbare huishoudens (42 procent). Deze zelfde verwachting had ik voor wat betreft de ambitie/motivatie van de HBEA-ondernemer. Hierbij is een onderscheid gemaakt tussen exploitanten met een ondernemersambitie (35 procent) en een bestaansverwervingsambitie (65 procent). Een ondernemersambitie kenmerkt zich door een klassieke ondernemersgeest die gericht is op vernieuwing, eigen baas zijn, risico's nemen en een focus op bedrijfsgroei en -winst. Een bestaansverwervingsoriëntatie wenst extra (consumptie)inkomen te verkrijgen op een risicovrije manier om daarmee

de bestaanssituatie zekerder te maken. Op basis van deze twee indicatoren is een kwetsbaarheid/ambitie typologie van HBEA-ondernemers ontwikkeld. Deze typologie is gebruikt om de volgende vragen over impact van HBEAs op de bestaansverwerving en de organisatie van deze activiteiten te beantwoorden.

De impact van HBEAs op bestaansverwerving

De derde vraag in dit onderzoek betreft de rol die HBEAs spelen in de bestaansverwerving van betrokken huishoudens. Hiervoor zijn gegevens over de absolute inkomens die HBEAs opleveren, niet toerreikend. Ten eerste zijn veel exploitanten niet in staat betrouwbare cijfers over omzet en winst te geven en wordt geen (volledige) boekhouding bijgehouden. Ook betalen operators zichzelf meestal geen salaris. Ten tweede zeggen dit soort cijfers niets over de betekenis van HBEAs voor de bestaansverwerving. Het is daarom noodzakelijk andere indicatoren te gebruiken zoals de rol (hoofd-, enig- of secundair inkomen), het doel (dagelijkse uitgaven, grote investeringen, spaargelden) en functie van het HBEA-inkomen (consolidatie of verbetering van bestaansmogelijkheden).

In absolute zin levert de helft van HBEAs minder dan US$100 per maand op, ruim beneden het niveau van salarissen in de lage regionen van de overheidssector. Ongeveer 15 procent verdient meer dan US$500 per maand met zijn HBEA. Vrouwen verdienen minder dan mannen met hun activiteit, vooral omdat zij in de minst winstgevende typen HBEA actief zijn. Voor ongeveer de helft van de betrokken huishoudens vormen HBEAs een secundair inkomen, voor een derde het hoofdinkomen en voor een vijfde het enige inkomen. Voor HBEA-ondernemers met een bestaansverwervingsoriëntatie, en vooral die uit kwetsbare huishoudens, zijn HBEAs een secundair inkomen. HBEA-inkomens worden hoofdzakelijk besteed aan dagelijkse uitgaven of aan besparingen voor noodgevallen. De doelen veranderen echter door de tijd heen en zijn afhankelijk van ontwikkelingen in de samenstelling en kwetsbaarheid van de betrokken huishoudens. Als laatste is de functie van HBEAs in de totale bestaansverwerving van huishoudens in kaart gebracht. Een derde van de betrokken huishoudens bevindt zich in een situatie van overleving. Zij hebben moeite te voorzien in, de voor de Caribische context geldende, basisuitgaven zoals die voor voeding, onderwijs, transport, huisvesting, gas en elektriciteit hebben geen buffer voor onverwachte uitgaven zoals voor medische zorg. Zonder HBEAs zou dit echter meer dan het dubbele zijn. De helft leeft in een situatie van zekerheid maar deze groep zou veel kleiner zijn zonder HBEAs. In een zekere bestaanssituatie kunnen huishoudens voorzien in basisbehoeften en hebben iets achter de hand om onverwachte uitgaven op te vangen. De resterende groep is relatief welgesteld en is in staat structurele verbeteringen in hun bronnen te realiseren en geld uit te geven aan hobby's, vrije tijd en wellicht reizen. Dit

betekent dat HBEAs vooral belangrijk zijn voor het verbeteren van bestaanssituaties van een niveau van overleving naar een van zekerheid. HBEA-uitvoerders met een ondernemersambitie zijn relatief vaak in staat om met hun HBEA een verbetering in hun bestaan te realiseren. Wanneer ondernemers een bestaansverwervingsambitie hebben, realiseren zij met hun HBEA vooral consolidatie in hun situatie. Kwetsbare HBEA-ondernemers blijven dan op een niveau van overleving, en minder kwetsbaren op een niveau van zekerheid.

De organisatie van HBEAs

De volgende kwestie is de manier waarop ondernemers, *de facto* kleine ondernemers, hun HBEA organiseren. Hierbij is gekeken naar de inzet en de oorsprong van technische en bedrijfskundige vaardigheden, arbeid, tijd, investeringen en ruimte, de locaties van toeleveranciers en markten en de mate waarin regels nageleefd worden. Het meest voorkomende organisatiepatroon in zowel Port of Spain als Paramaribo komt overeen met dat wat geschetst wordt in bestaande literatuur. Het kenmerkt zich door beperkte input, lage kosten, informaliteit en flexibiliteit. Deze ondernemers gebruiken eenvoudige, informeel geleerde technieken en doen zeer kleine financiële investeringen die ze vooral uit het huishouden betrekken. Ze zetten hun producten af in de buurt en gebruiken vooral hun eigen arbeid, eventueel aangevuld met onbetaalde arbeid door huishoudenleden. Dit maakt het mogelijk om HBEAs tegen lage kosten en flexibel te organiseren. Bij zo'n organisatiepatroon zijn de economische, reproductieve en huishoudelijke activiteiten die binnen huishoudens uitgevoerd worden in ruimtelijke sociale en financiële zin sterk met elkaar verweven. Dit bespaart kosten, stimuleert efficiënt en flexibel gebruik van beschikbare bronnen en zorgt ervoor dat er altijd geld voor consumptie beschikbaar is. Dit organisatiepatroon overheerst onder vrouwelijke HBEA-ondernemers. Daarnaast is het dominant bij mannelijke en vrouwelijke ondernemers met een bestaansverwervingsoriëntatie en bij HBEAs die vooral secundaire inkomens produceren en daarmee bestaande bestaanssituaties consolideren. Andere organisatiepatronen bestaan echter ook. HBEAs zijn dan vaker geformaliseerd en minder afhankelijk van het huishouden voor arbeid, ruimte en geld. Zulke ondernemers gebruiken vaker arbeid van buiten het huishouden en betalen daar soms ook voor, zij gebruiken specialistische technische vaardigheden, leveren ook aan markten buiten de buurt en investeren vaker en grotere bedragen die ze frequenter lenen van formele financiële organisaties. Zij koppelen hun activiteit steeds meer los van het huishouden. Zulke organisatiepatronen zijn dominanter onder ondernemers met een bedrijfsoriëntatie, leveren vaker het hoofd- of enige inkomen in het huishouden en dragen bij aan structurele verbetering van bestaanssituaties.

HBEA-Organisatie en de Institutionele Context

In de organisatie van HBEAs spelen verschillende instituties op het microniveau van het huishouden, het mesoniveau van de buurt en het macroniveau van de stad of staat een rol. Duidelijk is geworden dat op het niveau van het huishouden, het huishouden zelf cruciaal is. Zij levert ruimte, arbeid, tijd, kennis en geld voor investeringen en zorgt voor financiële back-up. Dit is vaak de reden dat HBEAs kunnen starten, voortbestaan en een inkomen produceren. De sterkte relatie tussen HBEA en huishouden werkt echter ook lange, stressvolle werkdagen in de hand en vereist goede huishoudrelaties. Vanzelfsprekend is de input van het huishouden in kwantitatieve en kwalitatieve zin, gelimiteerd. Een afhankelijkheid van het huishouden *pur sang* beperkt dan ook groei en ontwikkeling van HBEAs boven een bepaald niveau. De buurt is belangrijk voor HBEAs, omdat deze haar belangrijkste markt is. Als markt biedt zij voor- en nadelen die gerelateerd zijn aan haar economische karakteristieken en de kwaliteit van geldende sociale relaties. HBEAs voorzien de buurt van goedkope en noodzakelijke producten en diensten maar de vraag naar producten is zowel in kwantitatieve en kwalitatieve zin beperkt. De koopkracht van veel buurtbewoners is immers klein en het aantal buurtbewoners beperkt. Sociale relaties met buurtbewoners die gebaseerd zijn op vertrouwen, wederkerigheid en harmonie bieden mogelijkheden voor HBEA-ondernemers. Zo zijn buurtbewoners vaak bereid om ondernemers te steunen in hun ambitie om 'een dollar te verdienen'. Ze testen producten uit en accepteren een zekere mate van overlast. Aan de andere kant echter leiden diezelfde sociale relaties ook tot problemen. Zo wordt een succesvolle HBEA vaak gekopieerd door buurtbewoners. De concurrentie wordt omwille van het behouden van harmonieuze relaties geaccepteerd maar leidt ook tot afnemende winsten voor alle betrokkenen. Daarnaast doen buurtbewoners vaak een beroep op kredietverstrekking en de goedheid van HBEA-ondernemers waardoor het voortbestaan van de activiteit soms onder druk komt te staan. Ten slotte veroorzaakt een (vermeend) succes van een HBEA gevoelens van jalousie onder buurtbewoners. Dit leidt regelmatig tot sabotage van het bedrijf. De buurt als markt is dan ook vooral voordelig voor kwetsbare ondernemers, op bestaansverwerving gerichte ondernemers en voor startende HBEAs maar is nadelig voor bedrijven die verder ontwikkeld zijn, succesvol lijken en waarvan de ondernemers een sterke ondernemersambitie hebben.

Op het niveau van stad en staat heeft de analyse zich geconcentreerd op organisaties die vaardigheden en financiële ondersteuning aanbieden en op het wetten en regels die gelden voor HBEAs. In Trinidad en Tobago is een breed scala aan goedkope en laagdrempelige cursussen beschikbaar voor HBEA-ondernemers. Van deze cursussen wordt veel gebruik gemaakt, maar de geleerde vaardigheden worden echter slechts beperkt in

HBEAs toegepast. De meeste ondernemers zijn op zoek naar risicovrije producten die beantwoorden aan een lokale vraag. Te specialistische technische vaardigheden schieten dit doel voorbij. De bedrijfskundige vaardigheden die geleerd worden, sluiten niet aan bij de doelen die ondernemers hebben met hun financiële organisatie. Ook wat betreft formele financiële organisaties biedt Trinidad en Tobago veel meer mogelijkheden dan Suriname. Naast commerciële banken en kredietcoöperaties kent Trinidad en Tobago meerdere microfinancieringsorganisaties. De verwachting was dan ook dat ondernemers in Port of Spain veel meer gebruik zouden maken van formele financiële organisaties, vooral van microfinanciering. Dit bleek echter niet het geval te zijn. Voor eerste investeringen maken Surinaamse ondernemers zelfs vaker gebruik van formele instituten dan Trinidad en Tobagoniase ondernemers. Voor latere investeringen zijn kredietcoöperaties en microfinancieringsorganisaties in Trinidad and Tobago belangrijker dan in Suriname; echter nog steeds voor een kleine groep. Andere formele kredietvormen zoals huurkoop en informele zoals ROSCA's[156] en familie, zijn in beide landen belangrijker. Ondernemers die op zoek zijn naar bestaanszekerheid zijn opzoek naar risicovrije, flexibele, kleine en bij voorkeur goedkope investeringsmogelijkheden. Elke HBEA-ondernemer zal dan ook eerst proberen investeringen zelf te financieren en pas als dat niet mogelijk is op zoek gaan naar andere bronnen. Voor mensen met een ondernemersambitie en mogelijkheden om schulden aan te gaan, bieden formele instituten dan mogelijkheden.

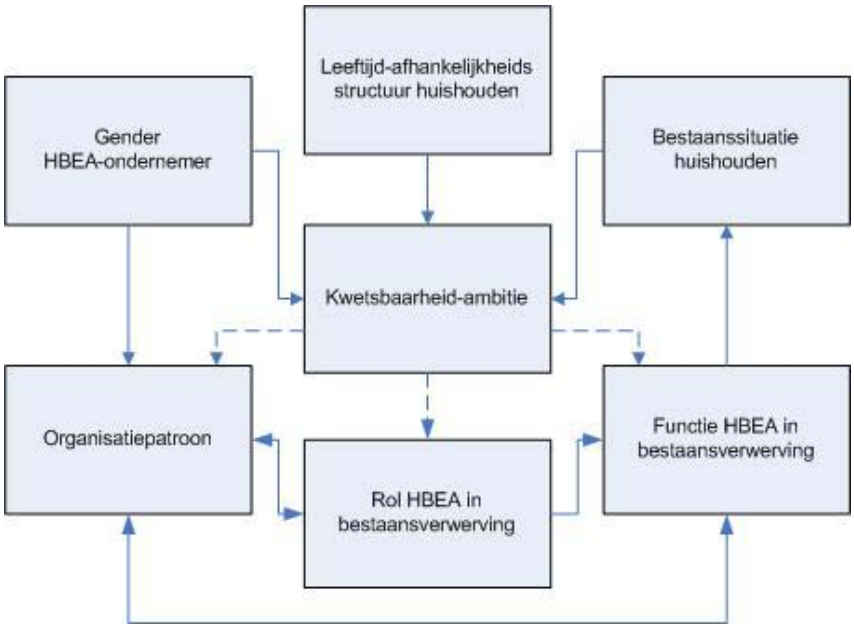
HBEA-ondernemers houden zich aan wetten en regels wanneer zij dit noodzakelijk achten, dat wil zeggen wanneer ze vatbaar voor inspectie zijn (omdat hun activiteiten zichtbaar zijn of omdat ze markten buiten hun buurt en sociaal netwerk aanboren). Belangrijk zijn openbare gezondheidszorg, de belastingdienst en bedrijfsregistratie en vergunningverstrekking door de overheid. Over het algemeen hebben deze diensten weinig capaciteit om regels te handhaven, wisselen ze geen informatie met elkaar uit en zijn HBEAs geen prioriteit voor ze. Dat betekent dat de meeste HBEA-ondernemers weinig te vrezen hebben. Registratie is vaak wel noodzakelijk als ondernemers te maken krijgen met banken, douane en bedrijfondersteunende organisaties.

[156] Rotating Saving en Credit Association. In Suriname bekend als *kasmoni* en in Trinidad en Tobago als *sousou.* Alle deelnemers (meestal tussen 10 en 15l) aan een ROSCA staan op een vast moment (bijvoorbeeld maandelijks) een vast bedrag af aan de voorzitter. Iedere keer krijgt iemand anders de volledige opbrengst.

Naar een nieuw raamwerk voor HBEA en bestaansverwerving

Dit onderzoek laat zien dat diversiteit van huishoudens en individuen, de bronnen waar huishoudens de beschikking over hebben, hun kwetsbaarheid, de manier waarop HBEAs georganiseerd worden, de rol van de institutionele context hierin en de rol en functie van HBEAs in bestaansverwerving, met elkaar verbonden zijn. Ten eerste beinvloeden huishoud- en indviduele karakteristieken het vóórkomen van HBEAs. Ten tweede zijn de kwetsbaarheid van het huishouden en de ambitie van de HBEA-exploitant gerelateerd aan de rol van HBEAs in de bestaansverwerving van de betrokken huishoudens en de manier waarop HBEAs georganiseerd worden. Tegelijkertijd echter is het organisatiepatroon van een HBEA van invloed op de rol van de activiteit in de bestaansverwerving van het huishouden. Ten slotte zijn de wijze van organiseren, de rol van HBEAs in bestaansverwerving, de kwetsbaarheid van het huishouden en de ambitie van de exploitant bepalend voor de functie van HBEas in de bestaansvewerving van betrokken huishoudens. Het volgende raamwerk geeft deze relaties weer:

Figuur 1: Relaties tussen diversiteit, HBEA-organisatie en bestaansverwerving



HBEAs spelen een rol in de bestaansverwerving van veel huishoudens in Paramaribo en Port of Spain. Het potentieel van dit soort activiteiten moet echter niet overschat worden. Allereerst kan en wil een slechts een zeer kleine groep huishoudens voor hun hele inkomen afhankelijk zijn van HBEAs. HBEAs genereren bescheiden inkomens en hebben beperkte

groeimogelijkheden. Een andere wijze van organiseren zou dit kunnen veranderen maar de op bestaanszekerheid gerichte attitude van HBEA-exploitanten bemoeilijkt dit. Dat Suriname en Trinidad en Tobago uiteenlopende institutionele contexten hebben, leidt niet tot een andere HBEA-organisatie in de twee landen. Dit komt omdat veel van de projecten die ondernemerschap stimuleren en ondersteunen, van klassieke ondernemers uitgaan die gericht zijn op winst en groei, vernieuwing en risico's willen nemen. Het merendeel van de HBEA-ondernemers voldoet hier niet aan maar wil zijn bestaanssituatie versterken en is juist op zoek naar zekerheid. Voor hen zijn voorzieningen zoals microfinanciering niet relevant en soms ronduit contraproductief. Daarnaast heeft niet iedereen evenveel te verwachten van een HBEA. Kwetsbare huishoudens hebben minder vaak een HBEA maar halen er ook minder uit in termen van inkomen of zekerheid. Het idee dat micro-ondernemingen voor iedereen geschikt zijn en dè manier zijn om uit armoede te zijn, bestrijd ik dan ook. Een beleid enkel daarop gericht, schiet te kort. Voor grote groepen armen blijven andere maatregelen nodig.