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Understanding the use of fully subsidised houses as a place of business by the urban poor : poverty repackaged or avenue to excape poverty? : the case of Lotus Gardens, Pretoria West, Gauteng.

Mulondo, Matodzi Michelle

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Abstract

The current South African housing policy is clear on its plan to address urban poverty: provide poor urban dwellers with privately owned houses and they will use this to build wealth, and subsequently move out of poverty. This approach has been criticised for being narrow, and many have called for the housing policy to adopt a more livelihood focused approach and recognise the multiple values of a house to the poor, particularly as a place for Home Based Business (HBB) activities, something that the National Department of Housing (NDoH) has begun to embrace. These claims, however, can themselves be accused of giving a narrow assessment of the BNG and—by proposing HBBs as an alternative—for not challenging the structures that produce and reproduce poverty in society and disregarding inequality issues. Therefore, the work of people such as Davis, Blake and Chau, who argue for social justice and social equality provided space for a critical look at the Breaking New Ground (BNG) and HBBs and make arguments, not just about livelihoods, but about poverty and the role of the housing policy in the debate.

In this regard, I used empirical data from 20 HBB owners to arbitrate which of the two criticisms of BNG gives better explanation of the circumstances of the urban poor. The research found that though HBBs generate incomes that are greatly needed and appreciated by urban poor households, the incomes they generate are not enough for these households to get out of poverty. Moreover, owners work long unpaid hours, and their businesses do not enjoy the same protection as other registered businesses, making HBBs an unstable, vulnerable source of income for the poor and a form of deprivation.

This I took to suggest that Davis, Chau and Blake were correct: De Soto's (and the NDOH housing policy) principles of incorporating the poor to a capitalist economy, as a strategy to address poverty, do not work and HBBs do not provide a real alternative. In actual fact, looking at HBBs (within the context of housing policy-subsidy beneficiaries) to claim success for the official housing policy in addressing poverty (even in partiality) is a bit flawed and has a tendency of deepening the principles of Neo-liberalism that devolve government's responsibilities of building a better life for all and creating jobs to the poor themselves. Given that poverty has been created and perpetrated by government's policies, I propose that what is needed is a government wide, transformative agenda aimed at creating sustainable jobs in sectors that absorb the unskilled and semi-skilled urban unemployed and a concerted effort by government to roll out education, improve the quality of public services while reducing the costs of these services. This I suggest could address some equity issues and ensure a just distribution of the country's resources.