

Generating livelihoods: a study of urban squatter settlements in Solomon Islands

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This article reports the results of a survey of the livelihoods of 208 households in squatter settlements in Solomon Islands. The main sources of household income are selling betel-nuts and cigarettes and working in full-time and casual unskilled jobs. Those individuals generating incomes make up 28 per cent of total household members. Of those household members generating incomes, 46.6 per cent are females. Some 50.5 per cent of the respondents did not have existing savings to start their income-generating activities. The average income from informal activities is two times more than the average fortnightly income from casual and full-time employment and 1.5 times more than the national minimum wage. This analysis draws a number of implications from the findings. These include building a traditional marketplace for selling betel-nut, the need for the government to fast track the implementation of development projects in the larger provinces, the need for research to investigate if low-income earners are paid at the minimum wage rate or lower, the need for relevant government departments and non-governmental organisations to conduct community-based short courses in the settlements that focus on appropriate income-generating enterprises, and the need for in-depth study into employment regulations and conditions in Solomon Islands.

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The squatter phenomenon has been studied and interpreted by different researchers from various perspectives. As researchers have focused on different aspects of this phenomenon, the definitions and the interpretations have to a large extent differed from each other. This differentiation demonstrates the complexity and the multidimensional nature of the problem. Arslan (1989:34–7) offers the following related definitions of the squatter

The first definition of squatterisation is a transition process from rural to urban life, a transitional life style and

its reflection to space. The second definition refers to the distribution of wealth (income), social structure and social security rather than only being a shelter. The third approach takes into account the aspects related to ownership, legislation and construction processes and defines this phenomenon as the casual buildings which have been built on lands or plots without having any ownership and the right to build on it in terms of building legislation and laws.



Within the framework of Arslan's (1989) definition of squatters, the term is used in Solomon Islands to describe a person who is illegally occupying state, freehold or native land without any form of security of tenure. The need for squatting arises because of the lack of affordable housing, particularly in urban centres. In Solomon Islands, therefore, people squat on state land for political and social reasons. It appears that the government could not easily remove squatters from state land. One reason is that politicians in the capital, Honiara, can easily manipulate the settlers for their own political gain. For instance, the riot in April 2006 was politically fuelled. The settlers were ill advised that most land in Honiara was likely to be taken over by Asians and that Asian businessmen were supporting the government that came into power in the 2006 election. Therefore, when the result of the election of the prime minister was announced, the general public did not accept the outcome. As a result, the crowd that witnessed the announcement of the new prime minister became angry and started burning and looting Asian-owned businesses.

These definitions show that squatter settlements and the squatting process itself are complex subjects because of their socio-cultural, psychological, economic, political and physical attributes. We cannot isolate these different attributes from each other—for example, we cannot study the subject as though it were only a social problem or just a shelter, socio-economic or political problem. We have to take a holistic approach in order to reach much more comprehensive definitions and interpretations (Saglamer, Turgut, Inceoglu, Aksoy, Paker 1994).

Solomon Islands experienced ethnic conflict from 1998 to 2003, severely affecting the country's economy. In post-conflict Solomon Islands, there have been a number of reconstruction initiatives and reforms but concerns remain about the production

of any tangible benefits—as evidenced by people struggling to earn livelihoods. It is against this background that this study has investigated how people in urban squatter settlements are generating their livelihoods.

Generating livelihoods in Melanesia

There have been surveys of livelihoods in some parts of Melanesia. In Melanesian countries, betel-nut selling is in most cases the main source of livelihoods in rural areas. In his survey of women roadside sellers in Madang Province of Papua New Guinea, Anderson (2006) reported that roadside market activities yielded incomes three times higher than the minimum wage. Soweï, Lahari and Vatnarbar (2003) also conducted a rural informal-sector survey in Papua New Guinea, which found average incomes from informal-sector activities to be K286 less than the average weekly earnings of the roadside sellers (Anderson 2006:68).

Overview: development of squatter settlements within Honiara

Honiara has a population of approximately 50,000 people. One of the major problems in the city is the growing illegal squatter settlements on public land. A survey in 2006 revealed that unauthorised settlements were growing at 26 per cent per annum. Further, of the total population of 50,000, some 17,000 were illegal settlers living on government land ('Illegal squatters costly for government', *Solomon Star*, 20 July 2006.). The government lands that are being occupied illegally by settlers are within the city's boundaries and are categorised as 'temporary occupancy licence' (TOL) areas.



Rural–urban migration is the main cause of the increasing squatter numbers in Honiara. Such migration is attributed largely to the concentration of social services and economic activities in the capital city. Other reasons are the availability of education and employment opportunities and the bright lights of the city (Connell 1985).

The boom in squatter numbers emerged soon after the recent conflict, which displaced many people, who also lost their jobs. After the restoration of law and order, therefore, people flocked to Honiara seeking employment. People have taken advantage of the lack of law enforcement by the responsible authorities in order to squat on public lands around the city.

The post-conflict Solomon Islands context

Before examining livelihoods in Solomon Islands' squatter settlements, broader development issues in the post-conflict reconstruction must be specified. Post-conflict challenges are interwoven into the broader issues; failure to address these will affect the livelihoods of current and future generations.

One of the key challenges in post-conflict reconstruction is improving governance. The focus for action to improve governance, as highlighted by Mellor and Jabes (2004), includes improving the management of government financial resources by aligning priorities and resource allocation; improving the efficiency and productivity of public enterprises through better disclosure and performance monitoring; and improving the financial knowledge and advocacy skills of civil society groups so as to keep governments and public officials accountable for their use of resources and the results they achieve.

In Solomon Islands, governance practices were deteriorating before and during the crisis, which saw the country labelled a 'failed state' (Moore 2004). Corruption was widespread during the conflict. The political system proved incapable of stemming corruption and combating the increasing level of criminal behaviour (Kabutaulaka 2002). This resulted in the deployment of an Australian-organised Regional Assistance Mission to Solomon Islands (RAMSI) in mid 2003 under the international legitimacy of the Pacific Islands Forum Secretariat. The intervention emphasised the restoration of 'law and order' through policing, but with strong military backup. Although law and order have been restored, the broad challenges in the post-conflict era are the issues of governance and social and economic development (Anderson 2008). The political leadership in Solomon Islands is determined to address these issues. Failure to do so could mean that the governance of the country will be subjected to external intervention.

Many of the challenges encountered in post-conflict reconstruction—and most of the remedial strategies described in the growing literature—are similar to those involved in supporting economic development and reform. The key difference appears to be the urgency to achieve visible impacts in a context in which people's livelihood activities are complicated by the added burden of massive delivery and new conflict-related problems. As such, post-conflict reconstruction requires clear priorities and mobilisation of resources in a clear and focused way to meet the huge expectations that are placed on the economy in such circumstances.



Profile of the study sites

Four squatter settlements were surveyed, covering a sample of 208 households (Table 2). The highest coverage of households (28.4 per cent) in a settlement was recorded in settlement number four.

Settlement 1. is in West Honiara, about 20 minutes' drive from Honiara City. In the past, people predominantly from Rennell/Bellona occupied this site, with a few Malaitan and Kiribati descendants. The government owns much of the land in settlement 1., with a few lots leased as TOLs granted by the Lands Department. Individuals legally own a small portion of the land. As the population of Honiara increases, however, people have started to squat on government land further inland around the valleys.

Settlement 2. is located behind Honiara City, about 2km from the city centre. The government and Honiara City Council own some of the land occupied by settlers. The majority of the land is customarily owned. Households in settlement two are quite dispersed because of its topography. For example, some households are located between hills and valleys, making access difficult. Lack of proper sanitation is a major problem in this area.

Settlement 3. is located along the highway at the mouth of the Mataniko River, next to the 'Chinatown' commercial centre. The settlement is a few metres from the sea, making it vulnerable to flooding. There are three racial groups occupying this settlement. On the eastern side of the river are Ontong Java/Lord Howe residents while people from Rennell/Bellona and Malaita occupy the western side. There is uncertainty about who owns the land on the western side. Even though the land is in the heart of Honiara City, it has not been developed because the settlers are living there. It was previously a dumping ground for the Public Works Department.

Settlement 4. is situated east of Honiara, about two minutes' drive from Honiara International Airport. This is the eastern border of Honiara City and the northern border of Guadalcanal Province. The settlement is part of Guadalcanal Province. The land was owned previously by Guadalcanal landowners but was sold to Levers Plantation Limited during the early 1950s. Due to the drop in world copra prices, the company ceased operation and sold the land to locals. The status of the land occupied by squatters is unclear; some settlers claim that it is owned by traditional landowners, while others claim it is owned by Levers

Table 2 Sample by squatter settlements

| Settlements | Household sample | Percentage |
|----------------|------------------|------------|
| 1. White River | 48 | 23.1 |
| 2. Kaibia | 52 | 25.0 |
| 3. Mamanawata | 49 | 23.6 |
| 4. Lunga | 59 | 28.4 |
| Total | 208 | 100.0 |

Source: Author's survey



Plantation Limited. This confusion has drawn people to squat illegally, as no-one is responsible for monitoring the property.

Analytical framework

Selection of settlements

The extent and location of settlements relative to the city population and other factors were considered carefully before an appropriate sampling strategy was framed. Four Honiara squatter settlements were selected for this study: one in western Honiara, two in central Honiara and one in eastern Honiara. The settlements are fairly representative in terms of accessibility to basic services and the population distribution according to province of origin.

- settlement 1. is located in western Honiara with multi-ethnic groupings and was established when Honiara became the capital city
- settlement 2. is situated behind Honiara city, with different racial groupings, and is poorly serviced
- settlement 3. comprises predominantly a mixture of two racial groups and is situated in the centre of Honiara City
- settlement 4. is located east of Honiara bordering Guadalcanal Province; it comprises different island ethnic groupings and has been occupied since the conflict.

Selection of households

This is a pilot survey and is not intended to be representative of the squatter population in Honiara, therefore, no sampling error has been calculated. The selection of households was based on random convenience. Some household heads were not home during the day and others were absent during the evening, so the researchers opted for

random convenience sampling to access the respondents conveniently. In selecting the households, the researchers followed the rows of houses in the settlements and picked every third household. If the head of the household was not home, the second house was selected instead. If the head of the second household was not home, the first household was selected.

Data collection

Field visits were conducted during five weeks using a survey questionnaire. Four research assistants helped the researchers. Before administering the questionnaire, the research assistants were trained in this by the principal researcher. After the training, the research assistants were given time to practise administering the questionnaire to 10 mock participants. The principal researcher moderated the responses and addressed issues that arose during the mock exercise.

The questions chosen were justified within the framework of ethical principles. First, the study has been sensitive to the fact that Melanesians do not critically evaluate people's intentions and might not wish to reveal personal information. For instance, asking questions about income level is a culturally sensitive issue in Solomon Islands. Therefore, asking this type of question in a face-to-face interview is culturally inappropriate.

The educational level of the respondents varied. Some had no formal education, while the majority had attended primary school and a few had attended secondary and tertiary educational institutions. The questionnaire was designed to accommodate these different education levels. Given the low educational background of most of the respondents, all questions in the questionnaire were explained in Solomon Pijin so the respondents could clearly understand them before the questionnaire was left for them



to complete. The respondents were given two days to fill in the questionnaire and on the third day the researchers returned to collect the completed questionnaires. The process was time consuming and it took eight days to complete the questionnaire for each settlement. Before administering the questionnaire, the researchers explained the purpose of the study, assuring the respondents of confidentiality and the anonymity of their responses.

Results and discussion

Sources of income

The study was aimed at gathering information on the sources of income of the sample households. The results showed that 36.1 per cent of the households reported that selling betel-nuts and cigarettes was their primary source of income. Only 3.4 per cent listed it as their second most important source. With regard to full-time jobs, 31.3 per cent of the respondents stated that this was their major source of income, while 12.5 per cent ranked it as their second most important source and 8.7 per cent as their third main source. For 19.7 per cent of the household heads, casual jobs were their primary source of income; for 13 per cent, it was the second most important; and for only 3.8 per cent, casual jobs were their third source of income.

The most important income activities in the squatter settlements are full-time and casual jobs and selling betel-nuts and cigarettes. Most of the household members who are employed on a full-time and casual basis are working in unskilled manual jobs. Chewing betel-nut is a traditional practice in Solomon Islands. In the past, it was used in cultural exchanges without monetary benefits. The shift from a subsistence economy to a cash economy has caused a

significant change in the cultural use of betel-nut and people are now selling it to earn income. It is common to see betel-nut stalls on the streets of Honiara. This reflects the fact that the majority of the squatter settlers are struggling to earn a living. One household head in settlement 4, said that he was unemployed and sold betel-nut only to meet his family's needs—most importantly, to finance his children's education.

Complaints have, however, been raised by the public and Honiara City Council about the social problems related to betel-nut selling, as reported by the *Solomon Star* ('Council to close betel-nut market', <http://www.solomonstarnews.com/?q=node/10773>, 9 October 2006): 'The King George betel-nut market closed permanently on Friday 13 October 2006. There were concerns about the disturbances caused to the flow of traffic as it was located right on the roadside...it had been used as a resting ground for criminals who have been terrorizing citizens and business houses in east Honiara.'

Despite this action, people are still selling betel-nuts in public places, as this is their main source of income.

The numbers of household members engaged in income-earning activities are shown (Table 3). A total of 115 household members were engaged in full-time jobs; 81 household members were selling betel-nut/cigarettes and 81 worked in casual jobs. The total number of household members generating income was 352—28.2 per cent of the total number of household members of 1,248. With an average of six members per household in the survey, this means that about two members per household are engaged in income-generating activities while the rest are dependants. This could be the result of the *wantok* system whereby the household heads shoulder the responsibility of taking care of all the extended family members living in their household. This is



known commonly in Solomon Pijin as '*ful bae*', meaning dependency on the breadwinner of a household for food and other basic needs. In general, most residents working in Honiara are facing this dependency issue. For some, they just tolerate the problem as a cultural obligation. The World Bank (2000) reported similar findings, noting the importance of the social unit in providing a social safety net and sustaining social cohesion in towns and rural areas. Therefore, many migrant families continue to reinforce rural ties rather than establish new social ties in the urban community. Migrants from the same islands prefer to live and work together. These social and economic bonds are the basis for much of the social support in town.

Household dependency on full-time and casual jobs is in line with the results of the Solomon Islands government's *Household Income and Expenditure Survey* (Government of Solomon Islands 2006), which reported that in urban areas such as Honiara, wages and salaries were the main source of income. Other income activities, including selling betel-nuts, are predominantly confined to rural areas. The major source of income in all provinces, apart from Honiara, is home production, which refers to the value of goods and services produced by the household, to be consumed predominantly by the same household or given as gifts—for example, vegetables and fruits grown in gardens and fish from the sea. The boundary between the urban and the rural, however, no longer exists, as most rural income activities are now common in urban areas—particularly the sale of betel-nuts.

Table 3 Household members engaged in income-generating activities

| | Income-generating activities | Number of household members |
|----|------------------------------|-----------------------------|
| 1 | Betel-nut and cigarettes | 81 |
| 2 | Vegetables and root crops | 19 |
| 3 | Fishing | 10 |
| 4 | Handicrafts | 13 |
| 5 | Cakes | 10 |
| 6 | Furniture | 1 |
| 7 | Collecting bottles | 4 |
| 8 | Casual jobs | 81 |
| 9 | Full-time jobs | 115 |
| 10 | Poultry | 1 |
| 11 | Tailoring | 3 |
| 12 | Piggery | 1 |
| 13 | Green coconut | 6 |
| 14 | Gambling | 1 |
| 15 | Canteen | 6 |

Notes: Household members generating income = 352 (28.2 per cent of total household members); total household members = 208 households × 6 (average members per household) = 1,248.

Source: Author's survey



There are two explanations for the above situation. First, with the rapid growth of Honiara City, there is greater demand for foodstuffs. Hence, settlers plant root crops, fruits or vegetables in their backyard to sell at the Honiara market. Second, the predominance of rural people in the urban squatter settlements is a contributing factor to the types of informal income activities. People living in squatter settlements have low wages or insecure employment and hence have to diversify their income activities to maintain their livelihoods. For example, members in one household might be in full-time jobs and at the same time selling betel-nuts/cigarettes or growing vegetables to eat or sell. This supports one of the explanations of diversification: 'Poor people seek to diversify livelihoods and may do this locally or over long distances. The poor may find themselves in a casualised labour market, essentially engaged in hunting and gathering for work with low returns, high vulnerability and little scope for accumulation' (Simon, Urey and Ashley 2001:6).

These kinds of income activities are therefore essential for survival but generally do little for poverty reduction. In spite of this, people living in urban squatter settlements are surviving on these presumed rural income activities.

Females engaging in income-generating activities

In Solomon Islands, women are trying to excel in education, decision-making, sports and arts. In spite of such attempts, the lives of women are influenced by problems such as poverty, environmental and social issues and the rapid increase of population. These circumstances push many women into jobs with meagre wages and benefits.

The majority of the women in the sample households were in the age category 20–37 years and were struggling to find employment. Of the total household members in

full-time employment, 18.2 per cent were women. Most of the women in full-time jobs were employed as shop assistants. Thirty-seven per cent of women were employed in casual jobs, mostly as domestic workers, known locally as 'house girls'. Some women were employed as labourers at the country's palm-oil company. They complained about their work conditions—their wages were low, they worked long hours, leaving home for work in the early hours of the morning, and often suffered from intimidation, including sexual harassment. They come home late from work, causing tension in the family. Other problems adding to the frustration in poor households are the excessive use of alcohol and physical abuse by men.

As a result of the harsh working conditions, many women in the squatter settlements decided to quit paid jobs and engage in informal income-generating activities. It is for this reason that most women resorted to alternative livelihoods such as selling betel-nuts and cigarettes, vegetables and root crops, and handicrafts (Table 4).

Starting income-generating activities

The savings people had before starting their income-generating activities were recorded (Table 5). About one-half of the respondents did not have any savings or capital to start up their income-generating activities. Most of those who did not have informal income-generating activities were those in full-time or casual employment. Fifteen per cent of the respondents who started informal businesses started with amounts ranging from SI\$200 to SI\$400; 9.1 per cent began with savings of SI\$50–100; and 8.7 per cent had savings of between SI\$100 and SI\$200.¹ Only two household heads (2.4 per cent) reported available savings of more than SI\$1,000.

Observations and informal interviews


Table 4 Female household members engaged in income-generating activities

| Income-generating activities | Number of female household members | Females as a percentage of the total household members generating income in each activity |
|------------------------------|------------------------------------|---|
| 1. Betel-nut and cigarettes | 64 | 79 |
| 2. Vegetable and root crops | 18 | 94.7 |
| 3. Fishing | 2 | 20 |
| 4. Handicrafts | 11 | 84.6 |
| 5. Cakes | 8 | 80 |
| 6. Furniture making | - | - |
| 7. Collecting bottles | - | - |
| 8. Casual jobs | 30 | 37 |
| 9. Full-time jobs | 21 | 18.2 |
| 10. Poultry | - | - |
| 11. Tailoring | 3 | 100 |
| 12. Piggery | - | - |
| 13. Green coconut sales | 4 | 66.6 |
| 14. Gambling | - | - |
| 15. Canteen | 3 | 50 |

Note: Total female household members generating incomes = 164 (46.6 per cent of the total household members generating incomes). **Source:** Author's survey

Table 5 Savings available before starting income-generating activities

| Amount saved (SI\$) | Frequency | Percentage |
|---------------------|-----------|------------|
| 800–1,000 | 2 | 1.0 |
| 600–800 | 3 | 1.4 |
| 400–600 | 11 | 5.3 |
| 200–400 | 31 | 15.0 |
| 100–200 | 18 | 8.7 |
| 50–100 | 19 | 9.1 |
| More than 1,000 | 5 | 2.4 |
| Less than 50 | 14 | 6.7 |
| No savings | 105 | 50.5 |
| Total | 208 | 100.0 |

Source: Author's survey



with the settlers revealed that the high cost of living in town made it difficult for those living in squatter settlements to save. When there was an income opportunity, they used any savings available at that time. This means they are engaging in income-generating activities for their day-to-day survival rather than saving. Most of those who reported that they had savings ranging from SI\$50 to SI\$100 were the betel-nut/cigarette vendors. A bag of betel-nuts costs about SI\$100, depending on the size of the bag and the boat-freight expenses. Usually, some of the settlers who sell betel-nuts are middlemen who then resell in public places or in their neighbourhood.

Those who saved relatively large amounts to begin income-generating activities ran small canteens—a few of whom had prior savings from other sources. The growth of the squatter settlements has created an opportunity for canteens, as people find it cheaper to buy basic items from the settlement canteen than travelling to the city centre. If they travel to the city centre, they have to spend money on bus fares.

The types of income-generating activities determine the amount of capital to be used in generating income. For instance, setting up a canteen requires starting capital of SI\$800 or more.

Operating income-generating activities

The average number of days a week squatters are engaged in income-generating activities is 5.4 and the average number of hours worked each day is 9.3. The normal number of working days each week in Solomon Islands is five. As revealed by the survey, most of those employed in formal full-time and casual jobs worked from Monday to Friday. Most people engaged in informal income-generating activities, however, worked more than five days a week, depending on the demand for, convenience and availability of income

resources. For example, income activities such as selling betel-nut/cigarettes or cakes, running canteens and some security guard work require work of more than 10 hours a day. Betel-nut and cigarette vendors sell throughout the week during the day and night for very long hours. In Honiara's squatter areas or public places, it is common to see people selling betel-nuts/cigarettes at night with lanterns.

Of the total households operating informal income-generating activities, 55.8 per cent reported that the materials used in generating incomes were obtained from their island of origin or from raw materials purchased elsewhere. For example, tobacco 'roll' is bought for SI\$9–10 a stick and resold at SI\$1 a roll. Similarly, bakers obtain flour from shops and make their own cakes. Some women in Honiara are practising another new income-generating activity. They reported buying clothes from second-hand shops and reselling them to workers at the palm-oil plantation on pay days. Three households reported that they earned income from reselling clothes. A few respondents sold final products purchased elsewhere—among those were canteen operators who purchased smallgoods from wholesalers. Cigarettes are a final product purchased from shops and normally sold together with betel-nuts.

Places of income-generating activities

The respondents also provided information about where they carried out their income-generating activities (Figure 1). Forty four per cent carried out income-generating activities from their own house; other households were operating in Honiara Municipal Market, from rented houses, in public places and at a friend's or relative's residence.

The nature of income-generating activities has an influence on where they are carried out. For example, the Honiara City Council has banned betel-nut selling,



so people are reluctant to sell it in public places.² The squatter population is largely of rural origin and for this reason the demand for betel-nut/cigarettes is high in the settlements, where it is accessible to sellers' neighbours, who regularly buy betel-nuts for socialisation purposes. Other income-generating activities, such as sales of fish and farm produce, are carried out at Honiara's main market. Handicraft sales, however, were carried out in rented premises or at the respondent's residence.

Competition level

Like other businesses, households that engage in informal income-generating activities face competition. Of the household members generating income in this way, 29.8 per cent reported that they faced high competition. One of the explanations is that many households in the settlements are carrying out the same kinds of activity—for example, selling betel-nut/cigarettes.

Licences

Major sources of revenue for the government and Honiara City Council are taxes and licence fees. This study showed, however,

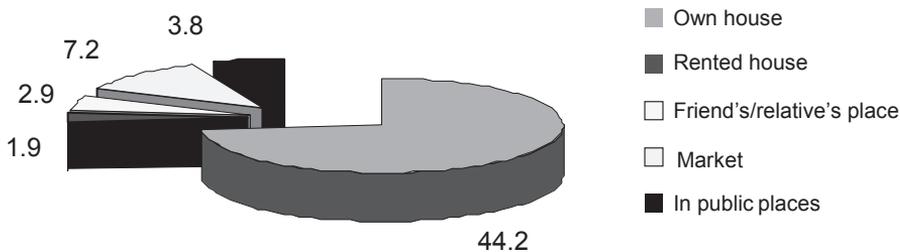
that a large number of respondents (55.3 per cent) did not pay licence fees to operate income-generating activities. Only 4.8 per cent reported that they paid licence fees. The remainder (39.9 per cent) do not operate any income-generating activities. The annual average licence fee paid to operate income-generating activities was SI\$543.

There are various reasons why people do not pay licence fees. In the squatter settlements, existing city council business licences do not cover some of the income-generating activities. Another likely reason is the laxity of the authorities responsible for enforcing payment. This was suggested by one of the respondents: 'I do not pay licence for the past five years. The reason is lack of responsible authorities to follow up on our case. I'm lucky not to pay anything at the moment, but it is not my fault.'

Household incomes

Fortnightly salaries and wages from full-time and casual jobs are the main sources of income for most of the squatters (55.6 per cent of the total household members generating incomes). The average fortnightly wage was SI\$316. Most household members

Figure 1 **Places of income-generating activities** (per cent)



Source: Author's survey



in this category derive their income as daily labourers. This means that they are often unemployed and that they take any job that comes their way—mainly unskilled manual work. Squatters are employed in jobs such as watchmen, mini-bus drivers and conductors, palm-oil plantation workers, shop assistants and cleaners.

All of the households surveyed were able to generate incomes. Of the total households, 112 had an income from two activities and 38 managed to generate income from three activities. The daily household income from informal activities, which averaged SI\$50, depended on the type of activity. For instance, the average daily income from betel-nut and other informal activities, as mentioned earlier, was SI\$50, which was equal to a fortnightly average of SI\$700. In comparison, the average fortnightly wage was SI\$316. At the time of the survey, the minimum fortnightly wage in Solomon Islands was SI\$168. Thus, the average fortnightly income from informal activities was four times more than the minimum wage. In May 2008, the minimum wage increased to SI\$448 a fortnight ('Minimum wages in Solomon Islands to go up from May 1st', *Radio New Zealand*, 27 April 2008). At this rate, the minimum wage is 1.5 times less than the average fortnightly income from informal activities.

Discussion

The rapid increase in rural–urban migration provides an increasingly complex array of development challenges for national leaders. Therefore, urbanisation and urban management are becoming increasingly critical and must be among the top development priorities for the Solomon Islands government. The findings of this study point to several important implications for development.

First, the study indicates that for most settlers, betel-nut and cigarette selling is the most common alternative to full-time and casual formal employment as a source of income. People have, however, been banned from operating these informal activities in public places. At such a difficult time, the city council should realise the economic importance of these activities to people's livelihoods and the cultural significance of betel-nut chewing. We suggest that building a traditionally designed market for betel-nut selling would be an appropriate way to harness its cultural significance.

Second, the lack of sustainable livelihoods in the villages is forcing rural people to migrate to Honiara in the hope of making a better living. When they cannot find employment, however, they depend on their squatter *wantoks*. One of the ways to address this issue is for the government to vigorously pursue the implementation of development projects in the larger provinces to generate employment opportunities in the rural areas and thereby curb rural–urban migration.

Third, women contribute significantly to the livelihoods of the squatter households. This study highlights, however, that women are paid low wages, that they work long hours and often suffer intimidation such as sexual harassment. It therefore appears that some employers are not adhering to minimum-wage regulations and are paying workers less than the set minimum wage rate. Research needs to be undertaken to investigate whether workers who are employed as labourers by the oil-palm company, as shop assistants or as labourers are being paid at the minimum wage rate.

The majority of squatter dwellers are struggling to establish informal income-generating activities to support their families. Apart from the lack of funds to start such activities, people also lack the skills to operate them. This points to the



need to offer short life-skills courses in the settlements. This could be one of the reasons why so many squatter settlers are engaging in the same income-generating activities as others. To encourage low-income earners to diversify their livelihood activities, relevant government departments and non-governmental organisations could conduct community-based short courses that are focused on appropriate income-generating enterprises. Once the income projects are up and running, follow-up training courses and workshops could be conducted.

Finally, informal activities such as betel-nut and cigarette selling earn average fortnightly incomes twice the fortnightly earnings from casual and full-time formal employment and 1.5 times the new minimum wage rate. This is an interesting phenomenon that calls for in-depth study into employment conditions in Solomon Islands. A betel-nut seller averages a fortnightly income of SI\$700 while a primary schoolteacher with a teaching certificate receives a fortnightly income of about SI\$400. This implies that people in full-time employment might also engage in informal income activities because their salary is not sufficient to support their families. If they are doing this, it will affect their performance in their formal job.

Notes

- ¹ At the time of the research, the exchange rate was about SI\$7 = US\$1.
- ² Honiara City Council allowed betel-nuts to be sold in a market opposite King George VI School, where the vendors were selling betel-nuts 24 hours a day throughout the week. As a result, the King George market became a breeding ground for social problems in East Honiara, which led to the council closing the market ('Council to close betel-nut market', *Solomon Star*, <http://www.solomonstarnews.com/?q=node/10773> (Issue 9 October 2006)).

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