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THE UTTE APPROACH FOR ECONOMIC INCLUSION

Housing for Growth

Economic inclusion through empowered communities

Urban Think Tank Empower (UTTE) is building housing that catalyses economic inclusion. By integrating commercial facilities, job creation and skills development, as well as opportunities for financial security through secure land tenure and homeownership, the Empower Upgrade Model helps break the cycle of poverty. With the scaling of its model, UTTE aims to transform lives by building economically resilient communities and empowering residents across South Africa.

In the face of South Africa's growing housing crisis, compounded by unemployment rates surpassing 30% and according to the GINI coefficient, the most unequal country in the world, UTTE has a solution that not only addresses the need for safe, dignified housing but also actively promotes economic inclusion and growth. The Empower model is about more than just upgrading informal homes, it provides sustainable social infrastructure and formal services while generating economic opportunities – offering a long-term solution that helps build resilient and economically self-sustaining communities.

The Empower model integrates commercial facilities, such as shops, restaurants, salons, and daycare centres, directly into its housing developments. Crucial to this is working meaningfully with the beneficiary communities before construction to understand what their needs and aspirations are: mapping out existing businesses and ensuring these are accounted for in the development and site upgrade, and making space for future entrepreneurial ideas. Ensuring that commercial facilities are upgraded along with the housing means local entrepreneurs have opportunities to establish and grow businesses. This has the knock-on benefit of providing the community with access to goods and services while creating jobs and fostering local economic activity. Furthermore, multipurpose community centres with the potential for income generation (through urban farming, daycare facilities, co-working spaces or sporting tournaments) and the inclusion of renewable energy systems with the possibility of selling excess solar energy back to the grid, add an additional layer of economic sustainability by empowering residents to value, maintain and make the most of their assets.

Building local economies through jobs and training

One of the key drivers of economic inclusion within the Empower model is its focus on job creation. During the construction phase, 50% of all labour is sourced from the local community.

Residents are trained and upskilled under the guidance of experienced contractors, gaining construction skills that are transferable beyond the initial build. By equipping workers with these abilities, Empower ensures that local labourers can continue to secure work in the building sector long after the housing units are complete. It also secures buy-in for the development, and trust in the process, which is crucial for scaling this model beyond the community in question. This emphasis on job creation directly supports Sustainable Development Goal (SDG) 1: No Poverty, by providing sustainable livelihoods for local communities.

Moreover, the jobs don't end with construction. Empower's developments require ongoing management, creating employment opportunities in the operation of commercial spaces, community centres, and maintenance services. These roles provide long-term employment options, helping to build social and economic sustainability at the broader community level.

Creating generational wealth and security

The Empower model additionally goes beyond simply providing housing – it offers financial stability through security of tenure and title deeds, which are crucial for residents seeking long-term economic empowerment. The title deeds provide a generational asset that families can pass down, opening doors to new opportunities and greater economic inclusion for future generations. Homeownership empowers residents to leverage their assets for loans, enabling further financial growth, business opportunities, and investments in education.

This approach stands in contrast to traditional housing models, which often disincentivise income growth. For instance, residents on the government's RDP housing list must earn below R3 501 (\$195) per month to qualify, which can work to discourage formal employment and income growth. Empower's model, by providing ownership and title, gives residents the opportunity to create a more stable and prosperous future for themselves and their families.

Economic empowerment through community ownership

Empower's holistic approach to economic inclusion doesn't stop at job creation and housing ownership. The very design of the Empower model gives residents a stake in the community they help build. Owning a home and participating in the local economy fosters a sense of belonging and long-term commitment, which is essential for building wealth and addressing inequalities. By creating a pathway to financial inclusion, Empower is fostering a new generation of urban residents who are no longer relying on informal housing solutions at risk of natural disasters and demolitions, but rooted in their community by virtue of physical and social assets, with the confidence to grow economically. In a context where many residents are relying on social security grants to support themselves and their families, having access to a financial asset as well as income-generating activities is a mutually-reinforcing necessity for sustainable livelihoods, and the longevity of the development. The long-term goal is for residents to no longer be reliant on housing, unemployment, pension and childcare grants to care for themselves and their

community – and this is only possible through providing meaningful economic opportunities. This supports financially viable collective development and promotes both SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequality.

Scaling economic resilience

Looking to the future, UTTE has ambitious plans to scale its model across South Africa, aiming to build 1,000 homes, 10 community centres and 10 safe public open spaces, which is projected to result in creating 7,000 jobs, positively impacting an estimated 24,000 people. Partnering with the City of Cape Town has unlocked a further 14 sites for development, laying the foundation for stronger, self-reliant and financially empowered communities. This model serves as a blueprint for tackling inequality, offering a roadmap for sustainable economic growth in vulnerable communities.