

University of St.Gallen

Master's Thesis

Opportunities and Limits of Business Approaches for Poverty Alleviation

A Case Study of Marketing Safe Water in Guinea to the Bottom of the Pyramid
(BOP)



Author:
Oezge Aydogan

Referee:
Dr. Urs Heierli

February 13, 2010

Abstract

Conventional development cooperation efforts in Africa have, to date, not produced the expected economic outcome considering the billions of development aid invested by the West. In fact, it would appear that the exact opposite of the set-out objective has become reality: according to the United Nations (UN) more people are currently living under the poverty line than did so ten years ago. Lacking sustainability and effectiveness of traditional development aid has forced a rethink amongst development workers in order to find new approaches and strategies that are not only more effective but also include bottom-up feedback and lead to sustainable income generation for the bottom of the pyramid (BOP).

Given this context, the thesis at hand argues in favor of applying market-oriented business approaches and practice to the development cooperation sector. This implies no longer treating the poor as passive recipients but rather as critical active consumers/customers that set qualitative requirements for the aid they receive from donors, non-governmental organizations (NGO), charities and other development actors. This, however, also requires contemplating the poor as producers that consequentially need to be equipped with necessary tools and capital to set up so-called “pro poor enterprises” that enable them to generate their own income and become independent from external help in the long run.

The implications of this approach are then highlighted with a case study of marketing safe to the BOP which is based on a field research conducted by the author in Dabola, Guinea. The project initiated by the Geneva-based NGO Antenna Technologies (ATG) showed the obstacles and limitations of poverty alleviation through business promotion within the BOP. It becomes clear that a successful implementation of market-oriented development aid is heavily reliant on the context, especially when the latter is characterized by rogue infrastructure such as electricity or roads, but most of all political instability.

Table of contents

ABSTRACT	II
ACKNOWLEDGMENTS	V
LIST OF ILLUSTRATIONS	VI
LIST OF ABBREVIATIONS	VII
INTRODUCTION	1
1. WHY CONVENTIONAL DEVELOPMENT COOPERATION HAS DONE SO LITTLE TO HELP AFRICA	3
1.1 The main sins of conventional development cooperation	5
1.1.1 The false belief in the “big push”	5
1.1.2 Feedback and accountability	8
1.1.3 Aid and governance	10
1.2 In the search of what works	12
2. THE MARKET-BASED APPROACH – INTRODUCING A BUSINESS PERSPECTIVE INTO DEVELOPMENT COOPERATION	15
2.1 The poor as customers	17
2.1.1 The BOP – A profitable market?	17
2.1.2 Positive impacts on sustainability and effectiveness	19
2.1.3 Obstacles	20
2.2 The poor as producers	22
2.2.1 Promoting entrepreneurship among the poor	23
2.2.1.1 Opportunities and challenges	23
2.2.1.2 Examples of successful pro-poor entrepreneurs	24
2.2.2 Partnerships with the established private sector	25
2.3 Targeting the BOP through social marketing	26
2.3.1 Why social marketing?	26
2.3.2 The social marketing mix: The 4Ps	27
2.3.2.1 Market research	27
2.3.2.2 Product: Functionality, design and quality	28
2.3.2.3 Price: Affordability and capacity to consume	29
2.3.2.4 Place: Accessibility and distribution	30
2.3.2.5 Promotion: Awareness rising through appropriate communication	31
2.4 The role of donors and other funding organizations	32
3. LIMITS OF MARKET CREATION AND BUSINESS PROMOTION WITHIN THE BOP – A CASE STUDY OF MARKETING SAFE WATER IN GUINEA	35
3.1 Context: Guinea – poorly governed, poorly developed	36
3.2 Local chlorine production in Dabola	38

3.2.1 Project description	38
3.2.2 The 4Ps of marketing safe water in Dabola	40
3.2.2.1 Product	40
3.2.2.2 Price	42
3.2.2.3 Place	44
3.2.2.4 Promotion	45
3.2.3 Impact	48
3.2.4 Profitability	49
3.3 Why context matters: Guinea's political instability as a challenge for successful business promotion within the BOP	51
4. CONCLUSION	53
REFERENCES	56
ANNEX	63
DECLARATION OF INDEPENDENCE	78

Acknowledgments

I am very grateful to my referee Dr. Urs Heierli, from whom I have learned a lot. I am also grateful to Antenna Technologies (ATG) for sending me to Guinea where I was able to gain valuable insights into a concrete development project. My gratitude especially goes to ATG's WATA team for their support and valuable inputs. Special thanks also to the people of the Association Tinkisso, who gave me a warm welcome in Dabola and extensively helped me with my field research. My thesis couldn't have been accomplished without them.

List of Illustrations

Illustration 1:	ODA and official aid to Sub-Saharan Africa 1960-2006	3
Illustration 2:	GDP of Chad, the DRC, Guinea and Zimbabwe 1965-2005 (in \$ billions)	5
Illustration 3:	ODA and official aid to Chad, the DRC, Guinea and Zimbabwe 1960-2005 (in \$ billions)	7
Illustration 4:	The world's economic pyramid	17
Illustration 5:	Cell phone subscription and penetration rates in Africa 2002-2012	18
Illustration 6:	Governance capacity and private sector development	22
Illustration 7:	PSI advertisement of	31
Illustration 8:	The map of Guinea	35
Illustration 9:	Tinkisso's local chlorine production site in Dabola	38
Illustration 10:	Flask of "Wata Eau"	40
Illustration 11:	Flask of "Sur' Eau"	41
Illustration 12:	Willingness to pay for "Wata Eau"	42
Illustration 13:	Closed water kiosk in Konindou	44
Illustration 14:	Road to Konindou	44
Illustration 15:	Personal communication by a community agent	45
Illustration 16:	Communication channel preferences (in %)	47
Illustration 17:	Impact of chlorinated water consumption on diarrheal diseases	49
Illustration 18:	Profitability of Tinkisso Aug 08 – Sept 09	50

List of abbreviations

AFD	Agence Française de Développement
AMA	American Marketing Association
ATG	Antenna Technologies Genève
BDS	Business Development Services
BOP	Bottom of the pyramid
CFA	Franc de la Communauté Financière d’Afrique
CIA	Central Intelligence Agency
CNDD	Conseil National de la Démocratie et du Développement
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
DED	Deutscher Entwicklungsdienst
DPS	Direction Préfectorale de la Santé
DRC	Democratic Republic of Congo
e.g.	For example
et al.	Et alii
etc.	Et cetera
FSI	Failed States Index
GDP	Gross Domestic Product
GNF	Franc Guinéen
HDI	Human Development Index
HWTS	Household Water Treatment and Safe Storage
ICC	International Criminal Court
i.e.	Id est
ILO	International Labor Organization
IMF	International Monetary Fund
IRG	Institute for Research and Debate on Governance
kW	Kilowatt
LSE	London School of Economics
MDG	Millennium Development Goal
MNC	Multinational Company
NBER	National Bureau of Economic Research
NGO	Non Governmental Organization
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organization for Economic Co-operation and Development
PBB	Petits Barrages dans le Bélédougou
PRSP	Poverty Reduction Strategy Paper
POU	Point of Use Water Treatment and Safe Storage
PSI	Population Services International
R&D	Research and Development
SDC	Swiss Agency for Development and Cooperation

SE	Small Enterprise
TED	Traitement de l'eau à domicile
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	The United Nations Children's Fund
UNPF	United Nations Population Fund
US	United States
USD	US Dollar
WHO	World Health Organization

Introduction

“Even if you do everything right, you still may fail.”

William Duggan, The Art of What Works¹

In his bestseller ‘*The White Man’s Burden*’, William Easterly, a former World Bank economist and currently professor of Economics at New York University, reflects critically on the ability and applicability of conventional development cooperation² in promoting sustained development in poor developing countries, whereby sustained development is understood as long-term, inclusive economic growth. Easterly’s overall conclusion: Traditional aid based on a top-down philosophy has definitely failed. Actually, instead of helping, it has driven poor developing countries even deeper into poverty.

The negative track record of conventional development assistance is particularly striking in the case of Africa³, which is the focus of this thesis. Despite billions and billions of dollars of Western aid, whether in the form of official or non-official non-governmental organization (NGO) and charitable aid, Africa remains the world poorest continent. One of Africa’s poorest countries is Guinea. Despite its resource-richness in minerals (it possesses almost half of the world’s bauxite), the country is ranked 170 out of 182 in the United Nations Development Programme’s (UNDP) 2009 Human Development Index.⁴ Almost fifty percent of Guineans are living under the poverty line, lacking access to basic facilities such as water and electricity.⁵ By looking at Guinea and other African countries, one realizes: Aid just sparsely reaches those in affliction.

Against this backdrop, it is hence not surprising that scholars and development experts increasingly call for a rethinking of foreign aid in terms of its recipients, its form and the conditions under which it should be delivered.

Based on theoretical research as well as field experiences in Guinea and Mali including a qualitative survey and interviews⁶, the author of this thesis argues what is crucial for sustained development is the empowerment of local capacities by giving the poor the tools for economic self-sufficiency, and thus the promotion of self-responsibility and ownership at the bottom of the pyramid (BOP). This can be reached through the support of market creation and the promotion of pro-poor enterprises within the BOP. The challenge is to find solutions that really work in the field.

¹ Duggan, W. (2003). *The Art of What Works. How Success Really Happens*. New York: McGraw-Hill, p. 80.

² Development cooperation, development assistance, aid and foreign aid are used as synonyms throughout this thesis.

³ Throughout the thesis, Africa refers to Sub-Saharan Africa.

⁴ UNDP (2009). *Human Development Report 2009*. Found online on 03.12.2009 at URL: http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf, p.169.

⁵ The Fund for Peace (2009). *Guinea*. Found online on 20.01.2010 at URL:

http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=384&Itemid=541

⁶ The questionnaire used for the survey and transcripts of selected interviews are presented in the Annex.

Nevertheless, this thesis also argues that due to external constraints, market creation and business promotion within the BOP is not always possible. Even if the necessary commitment from local capacities as well as foreign assistance is given, the lack of basic facilities, above all political stability and security can make the creation of market structures an insolvable task since successful economic activity highly depends on a favorable business environment and macro-economic stability characterized by good governance and rule of law.

The aim of the thesis at hand is therefore: (1) To analyze in a first step why conventional development approaches in Sub-Saharan Africa have failed in promoting sustained development in order to emphasize the need for new, innovative bottom-up approaches in development assistance; (2) To present in a second step the market-based approach as a promising strategy for achieving sustained development and better livelihoods for those living at the BOP; (3) And, ultimately, to discuss through a case study of marketing safe water to the BOP, which is based on a field research conducted by the author in September/October 2009 in Dabola, Guinea, the practicability and limits of market creation and pro-poor business promotion within the BOP.

1. Why conventional development cooperation has done so little to help Africa

In 2006, total official development assistance (ODA)⁷ and official aid to Africa amounted to \$ 40.6 billion, making the continent by far the largest recipient of foreign aid.⁸ Illustration 1 shows the total amounts of official aid disbursed in Africa from 1960-2006.

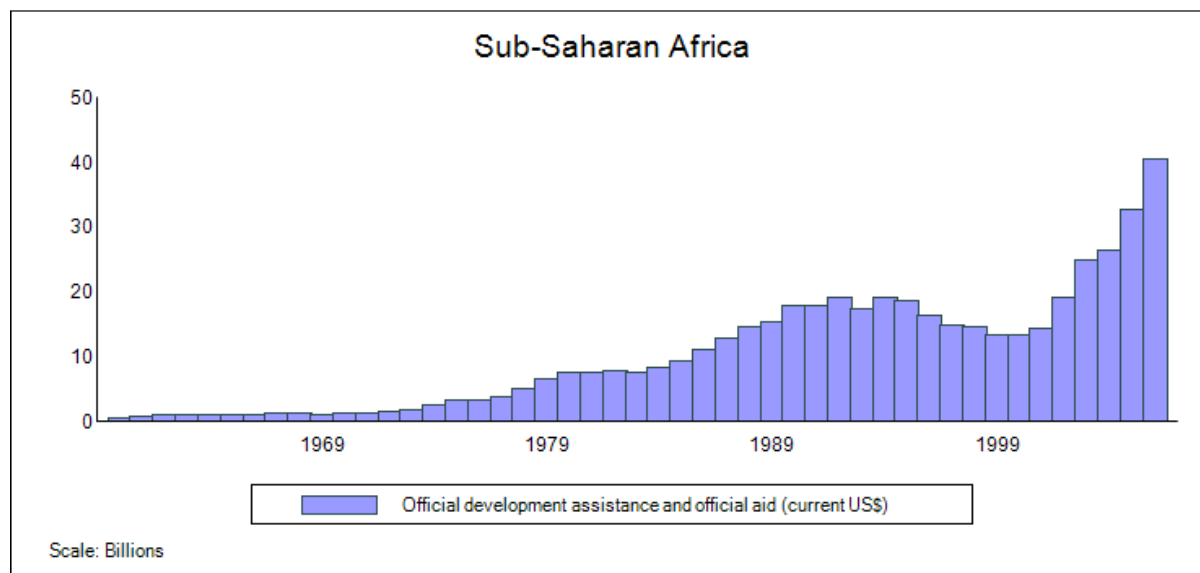


Illustration 1: ODA and official aid to Sub-Saharan Africa 1960-2006⁹

Overall, in the past fifty years, Africa has received over \$ 1 trillion in development-related official aid from rich countries.¹⁰

Alongside official aid, considerable non-official aid (NGO aid, charitable aid, philanthropy etc.) has been granted to Africa. Even if data is scarce on how much non-official aid has been spent so far, a study of the International Monetary Fund (IMF) conducted in 2006 showed that Africa has received a share of NGO aid larger than its share of world population.¹¹ Akin, a study by Koch, Drehler, Nunnenkamp and Thiele from the Kiel Institute for the World

⁷ ODA is defined by the Organization for Economic Co-operation and Development (OECD) as grants or loans to developing countries undertaken by official bilateral and multilateral agencies with the aim of promoting economic development and welfare in the recipient countries. Additionally to financial flows, ODA includes also technical cooperation. Development Assistance Committee [DAC] (2009). *DAC Glossary of Key Terms and Concepts*. Found online on 06.12.2009 at URL: http://www.oecd.org/document/32/0,3343,en_2649_33721_42632800_1_1_1_1,00.html#ODA

⁸ The World Bank Group (2009). *Quick Query. World Bank Development Indicators*. Found online on 28.01.2010 at URL: <http://ddp-ext.worldbank.org/ext/DDPQQ/showReport.do?method=showReport>

⁹ The World Bank Group (2009). *Quick Query. World Bank Development Indicators*. Found online on 28.01.2010 at URL: <http://ddp-ext.worldbank.org/ext/DDPQQ/showReport.do?method=showReport>

¹⁰ Moyo, D. (2009). *Dead Aid: Why aid is not working and how there is another way for Africa*. London: Allen Lane, Penguin Books, p. xviii.

¹¹ Gilles, N. & Yontcheva, B. (2006). Does NGO Aid Go to the Poor? Empirical Evidence from Europe. *IMF Working Paper*, No. 06/39, p. 9. Found online on 28.01.2010 at URL: <http://www.imf.org/external/pubs/ft/wp/2006/wp0639.pdf>

Economy on the aid allocation of 98 NGOs revealed that 47 percent (\$ 2.6 billion) of aid flows went to Africa.¹²

While other emerging regions such as South-East Asia have shown remarkable progress towards economic prosperity – above all China and the “Asian Tigers”, namely Hong Kong, Korea, Singapore and Taiwan, which accomplished to transform themselves from developing into first-income countries over the last four decades – Sub-Saharan Africa remains the world’s poorest region despite the high amounts of financial assistance received. Most Sub-Saharan African countries are part of what is called by Paul Collier, Professor of Economics and Director of the Centre for the Study of African Economies at Oxford University, “the bottom billion”, countries with no or even declining growth rates since the 1970s.¹³ Serge Michailof, former regional director for Africa at the World Bank, refers to these states as fragile states characterized by a weak economy, underdeveloped infrastructure and mediocre social indicators (e.g. high infant mortality rate, low school enrolment rate, weak access to basic facilities such as water, sanitation etc.).¹⁴ In these countries, one billion people live and suffer in fourteenth-century living conditions. As things stand, there is little or no sign of progress.

Against this backdrop, the Zambian former World-Bank economist Dambisa Moyo asks in ‘*Dead Aid. Why Aid is Not Working and How There is Another Way for Africa*’ why the majority of Sub-Saharan countries do “[...] flounder in a never-ending cycle of corruption, disease, poverty and aid-dependency [...]”,¹⁵ despite the considerable aid flows received. Moyo believes that the main cause of Africa’s underdevelopment is continuous financial assistance, to which she refers as “[...] the disease of which it pretends to be the cure”¹⁶. The negative effects of traditional aid have also been stressed by other renowned experts such as William Easterly and or Jacqueline Novogratz¹⁷. In her recently published, formidable book ‘*The blue Sweater. Bridging the Gap between Rich and Poor*’, Novogratz tells about her own experiences as a development worker in Western and Eastern Africa: “*I went to Africa to try and save the continent, only to learn that Africans neither wanted nor needed saving. Indeed, when I was there, I saw some of the worst that good intentions, traditional charity, and aid*

¹² Koch, D. J., Drehler, A., Nunnenkamp, P. & Thiele, R. (2008). Keeping a Low Profile: What Determines the Allocation of Aid by Non-Governmental Organizations? *Kiel Institute for the World Economy Working Papers*, No. 1460, pp. 9-10. Found online on 28.01.2010 at URL: <http://www.ifw-members.ifw-kiel.de/publications/keeping-a-low-profile-what-determines-the-allocation-of-aid-by-non-governmental-organizations/KWP%201406.pdf>

¹³ Collier, P. (2007). *The Bottom Billion. Why the poorest countries are failing and what can be done about it*. Oxford: Oxford University Press, p. 4, 7.

¹⁴ Michailof, S. (2009). *L’aide publique au développement face aux défis du XXIème siècle. De la reconstruction des Etats faillis à la lutte contre le réchauffement climatique*. Paris: Sciences Po, pp. 12-14.

¹⁵ Moyo (2009), p. xv.

¹⁶ Moyo (2009), p. x.

¹⁷ Novogratz is the founder and CEO of Acumen Fund, a non-profit venture capital firm for the poor that invests in local enterprises in developing countries providing healthcare, safe water, alternative energy and housing to low-income people. For more information, see the Acumen Fund’s website: <http://www.acumenfund.org/>

can produce: failed programs that left people the same or worse conditions.”¹⁸ Why has aid¹⁹ – in the form of official as well as non-official development assistance – done so little good in Africa despite the myriad billions spent in development projects since the 1960? The next chapter tackles and tries to answer precisely this question.

1.1 The main sins of conventional development cooperation

1.1.1 The false belief in the “big push”

Despite the large aid volumes historically disbursed in poor developing countries, they have often failed to achieve considerable growth rates. This is particularly the case for low-income Sub-Saharan countries, such as Chad, the Democratic Republic of Congo (DRC), Guinea, or Zimbabwe,²⁰ as the following table displays:

	Chad	Congo DRC	Guinea	Zimbabwe
1960	0.31	3.43	...	1.05
1965	0.41	4.04	...	1.31
1970	0.47	4.88	...	1.88
1975	0.86	10.24	...	4.37
1980	1.03	14.39	6.68	6.68
1985	1.03	7.20	15.65	5.64
1990	1.74	9.35	2.67	8.78
1995	1.45	5.64	3.69	7.11
2000	1.39	4.31	3.11	7.40
2005	5.87	7.24	3.26	3.42

Illustration 2: GDP of Chad, the DRC, Guinea and Zimbabwe 1965-2005 (in \$ billions)²¹

Guinea’s gross domestic product (GDP) for instance has dropped significantly from \$ 15.65 billion in 1985 to \$ 3.26 billion in 2005. By the same token, Zimbabwe’s GDP has dwindled from \$ 7.4 billion in 2000 to \$ 3.42 billion in 2005. The DRC’s GDP in 2005 was roughly the half of it’s GDP in 1980, and Chad had negative growth rates between 1995 and 2000 (in other time periods Chad’s GDP sparsely increased).

Why have low-income developing countries such as Chad, the DRC, Guinea and Zimbabwe failed to grow? Jeffrey Sachs, director of the Earth Institute at the Columbia University and special advisor to the United Nations’s (UN) secretary Ban-Ki Moon, argues in ‘*The End of Poverty*’ that the reason why poor countries do not reach to prosper is because they are caught in a poverty trap from which they cannot free themselves. Poor people in developing countries

¹⁸ Novogratz, J. (2009). *The Blue Sweater. Bridging the Gap between Rich and Poor in an Interconnected World*. New York: Rodale, p. vii.

¹⁹ It should be noted that humanitarian aid is not subject of this thesis.

²⁰ The four countries are chosen as examples because of their very low Human Development Index (HDI) ranking in UNDP’s 2009 Human Development Report.

²¹ The World Bank Group (2009). *Quick Query. World Bank Development Indicators*. Found online on 14.12.2009 at URL: <http://ddp-ext.worldbank.org/ext/DDPQQ/showReport.do?method=showReport>

don't have the capacity for saving since they spend their entire income for surviving. And without saving, there is no capital that could be invested in development facilities, e.g. construction of infrastructure, of schools, sanitation facilities etc. For Sachs, the only way to pull these countries out of poverty into self-sustaining economic growth is a vast scaling-up of aid.²² Sachs' reasoning stems from the still dominant supply-driven development paradigm, which takes not the results achieved (quality), but the volume disbursed (quantity) as a measure of success.²³

But is it true that poor developing countries are poor because they are kept in a poverty trap, and that a vast scaling-up of aid – a big push – is the only way to help these countries out of poverty? Easterly finds no evidence for either the low-income poverty trap or a role of foreign aid in escaping it.²⁴ Easterly's findings are supported by Moyo who notes that between 1970 and 1998, when official aid flows to Africa hit their peak, poverty rose from 11 to 66 percent.²⁵ The existence of poverty traps is also put into question by Aart Kraay and Claudio Raddatz. In *'Poverty Traps, Aid and Growth'*, they concede: "*We find little evidence of the existence of poverty traps based on low saving [...] These results call into question poverty-trap arguments based on these mechanisms that a large scaling-up of aid to the poorest countries will result in sharp and sustained increases in growth.*"²⁶ Indeed, while the DRC's GDP diminished from \$ 10.24 billion in 1975 to \$ 7.24 billion in 2005, official aid to DRC in the same time period increased from \$ 0.2 billion to \$ 1.83 billion, as illustration 3 (on the next page) reveals. By the same token, Guinea's GDP dropped from \$ 6.68 billion in 1980 to \$ 3.26 billion in 2005, whereas official aid rose from \$ 0.09 billion to \$ 0.2 billion.

²² Sachs, J. (2005). *The End of Poverty. How we can make it happen in our lifetime*. New York: Penguin Books, pp. 56-57, 73.

²³ Easterly (2006). *The White Man's Burden. Why the west's efforts to aid the rest have done so much ill and so little good*. Oxford: Oxford University Press, pp. 159-161. In line with Boone, P. (2005). Effective intervention: making aid work. *LSE Centre for Economic Performance Working Paper*, No. CEPCP187, p. 2. Found online on 17.12.2009 at URL: <http://cep.lse.ac.uk/pubs/download/CP187.pdf>

²⁴ Easterly, W. (2008). Introduction: Can't take it anymore? In W. Easterly (Ed.), *Reinventing foreign aid*. Cambridge, London: MIT Press, p. 14.

²⁵ Moyo (2009), p. 47.

²⁶ Kraay, A. & Raddatz, C. (2005). Poverty Traps, Aid and Growth. *World Bank Policy Research Working Paper*, No. 3631, p. 1. Found online on 17.12.2009 at URL: http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2005/06/15/000016406_20050615143926/Rendered/PDF/wps3631.pdf

	Chad	Congo DRC	Guinea	Zimbabwe
1960	0.00	0.08	0.00	...
1965	0.02	0.14	0.02	0.00
1970	0.02	0.09	0.01	0.00
1975	0.07	0.20	0.02	0.00
1980	0.03	0.43	0.09	0.16
1985	0.18	0.31	0.11	0.24
1990	0.31	0.90	0.29	0.33
1995	0.24	0.19	0.42	0.49
2000	0.13	0.18	0.15	0.18
2005	0.38	1.83	0.20	0.37

Illustration 3: ODA and official aid to Chad, the DRC, Guinea and Zimbabwe 1960-2005 (in \$ billions)²⁷

Aid, just as any other kind of investment, is subject to diminishing returns.²⁸ All countries are therefore expected to reach an “aid saturation point” beyond which additional impact of aid decreases.²⁹ The Washington D.C. based Centre for Global Development estimates that this point could be reached when aid amounts up to 16 percent of the recipient country’s GDP.³⁰ In this regard, DRC for instance is already highly aid dependent: In 2005, official aid represented 31.2 percent of its GDP. A further big push to DRC is therefore very unlikely to have substantial impact on reducing the country’s poverty burden.

Moreover, given their weak institutions and policies, poor developing countries often lack the necessary absorption capacity to make effective use of the aid flows they receive.³¹ Consequently, significant scaling-up of aid does not necessarily translate into stronger growth.³² Quite on the contrary, aid can even have negative effects on governmental and institutional quality since money which is not invested is often consumed by corrupt politicians and bureaucrats who place it on their personal bank accounts or spend it on imported luxury.³³ The phenomenon of limited absorption capacity is particularly striking in countries coming out of a civil war. Post-conflict countries are often inundated with aid because aid agents³⁴ want to prevent a resurgence of the conflict at any price. However, given the poor conditions of their governance, institutions and policies, they cannot absorb the big amount of development assistance they receive.

²⁷ The World Bank Group (2009). *Quick Query. World Bank Development Indicators*. Found online on 29.01.2010 at URL: <http://ddp-ext.worldbank.org/ext/DDPQQ/showReport.do?method=showReport>

²⁸ De Renzio, P. (2005a). Can more aid be spent in Africa? *ODI Opinions*, p. 1. Found online on 14.12.2009 at URL: <http://www.odi.org.uk/resources/download/489.pdf>

²⁹ De Renzio (2005a), p. 1.

³⁰ Centre for Global Development (n.D.), as cited in Collier (2007), p. 100. In line with De Renzio, P. (2005b). Scaling Up versus Absorptive Capacity: Challenges and Opportunities for Reaching the MDGs in Africa. *ODI Briefing Paper*, p. 1. Found online on 14.12.2009 at URL: <http://www.odi.org.uk/resources/download/1369.pdf>

³¹ Moyo (2009), pp. 64-65.

³² Moyo (2009), pp. 64-65.

³³ Ayodele, T., Cudjoe, F., Nolutshungu, T. A. & Sunwabe, Ch. K. (2005). African Perspectives on Foreign Aid: Why Foreign Assistance Will not Pull Africa Out of Poverty. *Cato Institute Economic Development Bulletin*, No. 2, pp. 1-4. Found online on 08.12.2009 at URL: <http://www.cato.org/pubs/edb/edb2.pdf>

³⁴ If not further specified, the terms “aid agent” and “development actor” respectively refer to the actors involved in the delivery of aid, e.g. multilateral and bilateral agencies, NGOs, charitable organizations etc.

And ultimately, a large and sudden increase in aid in the form of foreign currency can cause macroeconomic imbalance. Like natural resources, aid chills the incentives for diversified economic activity by hindering the export of labor-intense goods and products. Imagine a country which receives \$ 15 million worth of aid. Before the dollars can be spent, they have to be converted into the country's currency, because only domestic money is accepted in the country. This increases the demand for the country's home currency, leading to its appreciation. Yet, the now stronger domestic currency makes the traded domestic goods more expensive and thus uncompetitive in the international market. As a result, labor-intense industrial exports are crowded out. In economics, this phenomenon is called "Dutch Disease" after the effects of the North Sea Gas on the Dutch economy in the 1960s. A strong industrial sector though is indispensable for productivity technological progress and thus growth. By exacerbating diversified exports, aid can thus have the same negative effects on growth as natural resources, to the detriment of aid recipient country's economy.³⁵

Overall, a positive impact of supply-driven aid on growth remains highly controversial. Scholars such as Boone from the London School of Economic (LSE) find no positive correlation between large aid flows and growth,³⁶ nor do Rajan and Subramanian from the IMF in their essay '*Aid and Growth: What Does the Cross-Country Evidence Really Show*'³⁷. Clemens, Radelet and Bhavnani find a positive relationship between aid and short term growth.³⁸ Nevertheless, they can't detect the same correlation between aid and long-term growth.³⁹ Perhaps the harshest critic, though, comes from the Africans themselves. Not only Moyo, but also Senegal's current Presidents Abdoulaye Wade reckons that instead of spurring self-reliant economic development, five decades of foreign aid has driven Africa into aid dependence⁴⁰. Without reaching economic self-sufficiency, however, Africa won't be able to break out of its vicious cycle of poverty and aid dependence.

1.1.2 Feedback and accountability

Another major failure of conventional development cooperation is its lack of feedback and accountability. Since the poor are not the ones paying for development services – these are usually financed by the Western country governments, NGO's, charitable funds etc. through public tax revenues or private funding – they don't have the tools to hold donors and other development actors accountable for their performances. To make this point clear, look at a free market situation. In a free market, the consumers of a service are at the same time the

³⁵ Collier (2007), pp. 39-40. In line with Moyo (2009), pp. 62-63, and De Rezio (2005b), pp. 1-2.

³⁶ Boone (2005), pp. 2-7.

³⁷ Rajan, R. G & Subramanian, A. (2005). Aid and Growth: What Does the Cross-Country Evidence Really Show? *IMF Working Paper*, No. 05/127, p. 16. Found online on 16.12.2009 at URL: <http://imf.org/external/pubs/ft/wp/2005/wp05127.pdf>

³⁸ Clemens, M. A., Radelet, St. & Bhavnani, R. (2004). Counting chickens when they hatch: The short-term effect of aid on growth. *Centre for Global Development Working Paper*, No. 44, p. 1. Found online on 15.12.2007 at URL: <http://www.cgdev.org/content/publications/detail/2744>

³⁹ Clemens et al. (2004), p. 1.

⁴⁰ Onishi (2002), as cited in Ayodele et al. (2005), p. 1.

ones paying for it. If the service they ask for doesn't meet to their expectations, customers complain or simply stop buying it. Suppliers are thus forced to improve the quality of their services if they don't want to risk losing their clients. By the same token, in democratic societies state officials are put under pressure to deliver good quality public services as they fear to be voted off in the next elections if they fail to do so. In the case of aid-financed services in developing countries, however, poor people do not have this sanctioning power to hold aid agents accountable in case of faulty delivery. The goals of aid, and plans how to achieve this goals, are fixed in a top-down manner by multilateral and bilateral agencies controlled by rich-country politicians, or managers of big NGOs and charities sitting in their offices in London, Paris or New York.⁴¹

David Karanja, a former member of the Kenyan parliament, puts it a nutshell:

*“Foreign aid has done more harm to Africa than we care to admit. It has led to a situation where Africa has failed to set its own pace and direction of development free of external interference. Today, Africa’s development plans [called Poverty Reduction Strategy Papers, short PRSPs] are drawn thousands of miles away in the corridors of the IMF and World Bank. What is sad is that the IMF and World Bank experts who draw these development plans are people completely out of touch with the local African reality.”*⁴²

Yet, what is crucial for effective aid delivery is not strategic planning, but an approach that is encouraging bottom-up feedback. The poor need to be given the tools to articulate what they want (or what they don't want) and to hold Western aid agents accountable for what they have actually done for them.⁴³

The flaw of accountability of aid agents for bad policy or project outcomes is encouraged by the lack of output orientation and evaluation in traditional aid. Rather than being rewarded for their outputs and concrete results achieved, aid agents are often qualified by the amount of money they disburse. Put under pressure to spend their budgets, they invest in projects with little prospect of success, a short life-span and little local embeddedness.⁴⁴ A critical assessment of project outcomes is the exception. Usually, evaluations are undertaken in the form of self-evaluations by same people who implemented the project.⁴⁵ Consequently, there is still very little known about the actual impact of projects on the poor, and the incentives to search for more feasible solutions remain insufficient.⁴⁶

Accountability in foreign aid is finally undermined by the setting of common goals. The Millennium Development Goals (MDG)⁴⁷ are a good example for this phenomenon.

⁴¹ Easterly (2006), pp. 13-15, 147-150.

⁴² Ayodele et al. (2005), p. 3.

⁴³ Easterly (2006), p. 332.

⁴⁴ S. Michailof (personal communication, April 7, 2009). The same was told the author by an aid expert working for the Swiss Agency for Development and Cooperation (SDC) in Bamako.

⁴⁵ Easterly (2006), p. 169.

⁴⁶ Svensson, J. (2008). Absorption Capacity and Disbursement Constraints. In W. Easterly (Ed.), *Reinventing foreign aid*. Cambridge, London: MIT Press, p. 313.

⁴⁷ The MDGs aim to achieve the following targets by 2015: 1. Eradicate extreme poverty and hunger; 2. Achieve universal primary education; 3. Promote gender equality and empower women; 4. Reduce child mortality;

Collective responsibility entails that the single responsibility of every actor involved remains unclear and diffuse. This means that there is no one to blame if something goes wrong, as Easterly points out: “[...] *when the goals are not attained, no one agent can be held accountable. This weakens the incentive of any one agent to break its neck to reach the goals.*”⁴⁸ Collective responsibility hence makes it difficult to reach considerable development outcomes by undermining a critical (self) reflection on what works and what doesn’t in order to reach sustained development outcomes. Generally, common goals do not focus on few objectives but a wide range of different desirable but sometimes utopian targets. Yet the “do everything approach” implies that development actors do a little bit on each goal instead of focusing on what they can do best (in terms of a core competencies). However, scholars, first and foremost Adam Smith, the father of modern economics, have stressed the economic benefits from efficiency gains through specialization. What aid agents hence need to do is promote division of labor, which means that each of them needs to concentrate on the issues or tasks that they are experienced at and thus efficient in doing, and they need to focus on incremental, feasible changes rather than focusing on big goals.⁴⁹

1.1.3 Aid and governance

Many African countries today lack sound governance.⁵⁰ Kaufmann, Kray and Mastruzzi define governance broadly as “[...] *the traditions and institutions by which authority in a country is exercised*”⁵¹. They distinguish six governance dimensions: (1) *Voice and accountability*, measuring the extent to which a country’s citizens can participate in the free selection of their government, as well as the respect of democratic rules such as the freedom of expression, freedom of association, and a free mass media; (2) *Political stability and the absence of violence*, assessing the probability that a government will be destabilized or overthrown by illegal or violent actions; (3) *Government effectiveness*, measuring the quality of public services, the efficiency and transparency of public administrations, as well as the quality of policy formulation and implementation; (4) *Regulatory quality*, capturing the capacity of the government to introduce and implement sound policies that promote private sector development and guarantee the security of market transactions; (5) *Rule of law*, assessing the extent of confidence and respect agents have in and for the rules of society, namely in the effectively functioning of formal rules ensuring the respect of property rights

5. Improve maternal health; 6. Combat HIV/Aids, malaria and other diseases; 7. Ensure environmental sustainability; 8. Develop a global partnership for development. For further information see the MDG’s website: <http://www.un.org/millenniumgoals/bkgd.shtml>

⁴⁸ Easterly (2006), p. 151.

⁴⁹ Easterly (2006), pp.161-165.

⁵⁰ Bräutigam, D. A. & Knack, St. (2004). Foreign Aid, Institutions, and Governance in Sub-Saharan Africa. *Economic Development and Cultural Change*, 52 (2), p. 255. Found online on 27.12.2010 at URL: <http://www1.american.edu/faculty/brautigam/Brautigam,Knack.pdf>

⁵¹ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2009). Governance Matters VIII. Aggregate and Individual Governance Indicators 1996-2008. *The World Bank Policy Research Working Paper*, No. 4978, p. 5. Found online on 20.12.2009 at URL: <http://info.worldbank.org/governance/wgi/index.asp>

and contracts, and in the impartiality of police and courts; (6) *Control of corruption*, measuring the extent to which public power is misused for private benefits, and the extent to which the state is controlled by exclusive governing elites and private interests.⁵²

In the light of Africa's negative governance track record, it is scarcely surprising that seven out of ten states on the Foreign Policy's 2009 Failed States Index (FSI) are located on the African continent, i.e. Somalia, Zimbabwe, Sudan, Chad, the DRC, the Central African Republic, and Guinea.⁵³

Where does Africa's poor governance performance stem from? State capacity and institutions of governance have never been particularly strong in Africa inasmuch as during colonial rule, the transfer of administrative skills and capacity to locals didn't take place (or to a very limited extent).⁵⁴ Consequently, when African states obtained their independence in the late 1950s and 1960s, they were not well prepared for self-government.⁵⁵ Governance has further been exacerbated by Africa's persistent economic crisis alongside with political instability and conflict.⁵⁶ Yet, a growing number of development scholars argue that traditional aid (in the form of financial as well as technical assistance) has also played a considerable role in sustaining bad governance and in undermining institutional capacity building in Africa.⁵⁷

The argument underlying this relationship is that large amounts of aid channeled through governments and bypassing the poor have demoralized the recipient country's governmental accountability towards its citizens. In many African states, official aid is the government's main funding source, which negatively affects the government's effort to invest in public goods, reforms and development capacity. Since governing elites no longer rely on revenues from the local economy and tax payers, they are not worried about getting their publics' consent or support for their legislature, but about maintaining good relationships with aid agents. Yet, in the light of missing governmental accountability, the development of a social contract between the state and its citizen is unlikely. Aid dependence thus leads to a situation in which a government is inapt to exercise many of its core functions, such as the provision of basic public services or the construction and maintenance of infrastructure. Consequently, higher aid levels are associated with a decline in governance and institutional quality.⁵⁸

⁵² Kaufmann et al. (2009), pp. 5-6.

⁵³ Foreign Policy (2009). *The Failed State Index 2009*. Found online on 20.01.2010 at URL: http://www.foreignpolicy.com/articles/2009/06/22/2009_failed_states_index_interactive_map_and_rankings

⁵⁴ Bräutigam & Knack (2004), pp. 259-260.

⁵⁵ Bräutigam & Knack (2004), pp. 259-260.

⁵⁶ Bräutigam & Knack (2004), pp. 259-260.

⁵⁷ Bräutigam & Knack (2004), pp. 255-285. In line with Moss, T. Pettersson, G. & Van der Walle, N. (2006). *An Aid-Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa. Centre for Global Development Working Paper*, No. 74, pp. 1-28. Found online on 24.12.2009 at URL: <http://www.cgdev.org/content/publications/detail/5646>. See also: Dollar, D. & Pritchett, L. (1998). *Assessing Aid. What Works, What Doesn't, and Why* [Electronic version]. Washington: The World Bank Publication, p. 1. In line with Dollar, D., Devarajan, Sh. & Holmgren, T. (2001). *Aid and Reform in Africa. Lessons from Ten Case Studies* [Electronic version]. Washington: The World Bank Publication, p. 6.

⁵⁸ Bräutigam & Knack (2004), pp. 265-266. In line with Moss et al. (2006), pp. 14-16.

Yet, poorly governed states with a weak state apparatus are particularly prone to political instability.⁵⁹ In this thesis, in accordance with Alesina, Özler, Roubini and Swagel, political instability is understood as the likelihood of a change of government, either legally through democratic elections, or illegally through a coup d'état.⁶⁰ Political instability in turn negatively affects economic growth.⁶¹ This hypothesis is based upon the assumption that risk-averse investors are unlikely to place their capital in a country where they have to fear to lose it due to a sudden coup or where their property rights are not guaranteed.⁶² Investment decisions thus “[...] require a reasonable reduction in uncertainty, in other words a minimum of visibility and confidence in the future,”⁶³ as Meisel and Ould Aoudia note. Yet, without quality institutions that provide reliable prosperity rights, deal with conflict, sustain law and order, and adjust economic incentives with social costs and benefits self-sufficient economic activity and long-term growth is unlikely to occur,⁶⁴ as we will see on the example of Guinea at a later stage of the thesis.

Against this backdrop, the longer development actors are confronted with the question of whether they should channel funds through national governments, as it has traditionally been the case, or whether they should bypass ineffective and corrupt states and try to provide it directly to those who need it the most, to wit the poor.⁶⁵

1.2 In the search of what works⁶⁶

The previous chapter has revealed the flaws of traditional poverty reduction efforts not only in promoting sustained growth in poor African countries but also in making aid accessible for the poor. Today, despite the numerous aid rescue plans launched by Western planners, more than fifty percent of Africa's population still lives in poverty, and the rate of people living from less than \$1.25 a day – representing the extreme poverty line fixed by the World Bank – actually rose from 212 million to over 388 million between 1981-2005.⁶⁷ Sadly, the only ones who got richer after five decades of development assistance are corrupt and oppressive African leaders.

⁵⁹ Michailof (2009), pp. 12-14.

⁶⁰ Alesina, A., Özler, S., Roubini, N. & Swagel, Ph. (1992). Political instability and economic growth. *NBER Working Paper*, No. 4173, p. 3. Found online on 30.01.2010 at URL: http://www.nber.org/papers/w4173.pdf?new_window=1

⁶¹ Alesina et al. (1992), p. 4.

⁶² Alesina et al. (1992), p. 4.

⁶³ Meisel, N. & Ould Aoudia, J. (2008). Is “Good Governance” a Good Development Strategy? *Agence Française de Développement Working Paper*, No. 58, p. 40.

⁶⁴ Rodrik (2003), as cited in Moyo (2009), p. 34.

⁶⁵ Easterly (2008), p. 26.

⁶⁶ The title is inspired by William Duggan's book *The Art of What Works*.

⁶⁷ The World Bank Group (2004). *Millennium Development Goals. Sub-Saharan Africa*. Found online on 25.12.2009 at URL: <http://ddp-ext.worldbank.org/ext/GMIS/gdmis.do?siteId=2&menuId=LNAV01REGSUB6> In line with the UN (2009). *The Millennium Development Goals Report 2009*. Found online on 27.01.2010 at URL: http://mdgs.un.org/unsd/mdg/Resources/Static/Products/Progress2009/MDG_Report_2009_En.pdf, pp. 6-7.

In the light of the historically poor track record of conventional development cooperation, there is obviously an urgent need for a change in mentality. This paper argues that rather than plan development in a top-down manner, development actors need to adopt a searcher's mentality by going into the field and searching, through experimentation and trial and error for those development strategies that really work. Aid agents are called on getting bottom-up feedback from the poor about their *real* needs and aspirations in order to provide tangible solutions for their problems. They ought to avoid setting up utopian goals such as ending world poverty and wasting time and scarce resources on elaborating strategic plans to reach unreachable goals. They should rather concentrate on problems, little or small, that can be solved.⁶⁸ In short: Development actors need to focus on the quality (results achieved) rather than on the quantity (volume disbursed) of aid, the latter being spuriously promoted as the pivotal measure of success in traditional aid.

In *'The Art of What Works: How Success Really Happens'* William Duggan, professor for strategy at the Columbia Business School, describes precisely these characteristics and qualities of Searchers as the way for achieving success not only in business, but also in the social sector and even in everyone's personal life. For Duggan, the secret of success lies in giving up unreachable for more feasible goals, in giving up "[...] *what you want in exchange for what you can achieve*"⁶⁹. He reckons: "*By fighting where you can win and holding back where you can't, you conform to circumstances instead of trying to bend them to your will. That may seem weak, but it's the source of the greatest strength.*"⁷⁰ This is the art of what works. And discovering what works can never be anticipated or planned. In successful solution finding, the goal arises from the course of actions taken, and not the other way around. Duggan points out that "[w]riting goals down does not show you the path to success"⁷¹. In real life, the unpredictability of future developments makes planning an insurmountable and unrealistic task, no matter how hard you try. Actually, in order to get the right solution, you have to expect the unexpected. This is particularly true in the context of highly volatile developing countries. The only thing that you can do to reduce the uncertainty of unknown situations is acquiring "expert intuition"⁷², which Duggan defines as the ability to learn from past experiences that have been proven to work effectively, and to adapt them to new problems and challenges. In other terms: In order to find appropriate solutions for future problems, you have to build on and adjust what has worked in the past.⁷³

In industrialized countries, entrepreneurs have historically proven to be successful Searchers when looking for innovative solutions and in creating positive economic outcomes.⁷⁴ Given the urgent need for reform expressed previously, why not promote

⁶⁸ Easterly (2008), pp. 6-9.

⁶⁹ Duggan (2003), p. 39

⁷⁰ Duggan (2003), p. 39.

⁷¹ Duggan (2003), p. 90.

⁷² Duggan (2003), p. 25.

⁷³ Duggan (2003), pp. 22-41, 90.

⁷⁴ Easterly (2008), p. 26.

business-oriented thinking in the field of development? A free market system gives feedback on the products and services that satisfy consumers. Driven by the incentive to increase their profits, entrepreneurial Searchers are in a continuous quest for practicable solutions in order to acquire as many customers as possible. Effective solutions are rewarded by attracting more financing and more factors of production.⁷⁵ Solutions that fail to meet the consumer's expectations on the other hand are crowded out.⁷⁶ Similarly, "[...] *the aid system has to be designed so that it rewards successful Searchers and scales them up to achieve widespread benefits for the poor,*"⁷⁷ as Easterly argues. Development actors need to be given the right incentives to look for feasible solutions and to assume accountability for their actions.

Yet, ultimately, development assistance is only expected to lead to a maximum of results if it's related to maximum self-help.⁷⁸ For this purpose, the poor have to be provided with the necessary tools for reaching economic self-sufficiency.

Therefore, the next part of the thesis focuses on how sustained development in poor developing countries can be achieved: By placing business thinking into the heart of development cooperation and by letting the poor actively participate in the quest for poverty solutions that work.

⁷⁵ Easterly (2008), p. 19.

⁷⁶ Easterly (2008), p. 19.

⁷⁷ Easterly (2008), p. 24.

⁷⁸ Bell, S. (1966). The Quality of Aid [Electronic version]. *Foreign Affairs*, Vol. 44, No. 4, p. 601. See also: Kaldor, N. (1963). Will Underdeveloped Countries Learn to Tax [Electronic version]? *Foreign Affairs*, Vol. 41, No. 2, pp. 410-419.

2. The market-based approach – Introducing a business perspective into development cooperation

The previous analysis of the effectiveness of conventional development cooperation in leading to sustained development outcomes has shown that the supply-driven aid apparatus has to be rethought, namely in terms of how aid should be delivered, who it should be delivered to and in what form and under which conditions it should occur.

This thesis argues that the effectiveness of foreign aid can be increased through the application of market-oriented business thinking and principles to the realm of development. Development is generally associated with economic growth,⁷⁹ and economic growth is created through market creation and private sector development.⁸⁰ Nevertheless, the analysis in part one has shown that, historically, too little priority has been given to the promotion of market creation and private business promotion, especially within the BOP. Yet, an increasing number of development experts urge the international aid community to pay closer attention to the promotion of these two factors as a key element in the fight against poverty in poor developing countries. One of them is Kurt Hoffman, president of the Shell foundation, who puts the objectives of the new strategy in a nutshell:

“There isn’t now and never will be enough charitable money on the planet to permanently raise the income of two billion people living on a buck a day to a more acceptable level. So whatever additional pledges are going to make [...] making poverty history is always going to require unleashing the power of private to generate wealth rather than the limiting on-off injections of public funds.... The most effective partners are those who can apply business principles and business thinking – assess risks, know your market, offer what your customers want, find least-cost solutions – to the challenge of catalyzing pro-poor enterprises...”⁸¹

What the poor mostly lack and which drives them deeper into aid-dependency is their lacking ability of independent income generation. Yet, without sufficient income, they can’t afford even basic goods and services such as health care, appropriate housing or safe water. According to the World Health Organization (WHO) for instance, about 1.1 billion people worldwide have no access to any type of improved drinking source of water despite its vital necessity.⁸²

⁷⁹ Bingsten, A. (1998). Can Aid Generate Growth in Africa? *University of Göteborg Working Papers in Economics*, No. 3, p. 3. Found online on 07.12.2009 at URL: <http://ideas.repec.org/p/hhs/gunwpe/0003.html>

⁸⁰ Friedman, M. (1958). Foreign Economic Aid: Means and Objectives [Electronic version]. *Yale Review*, Vol. 47, No. 4, p. 507. In line with Karnani, A. (2006). Mirages at the Bottom of the Pyramid. How the private sector can help alleviate poverty. *William Davidson Working Institute Working Paper*, No. 835, p. 21. Found online on 06.12.2000 at URL: <http://www.wdi.umich.edu/files/Research%20Initiatives/Bottom%20of%20the%20Pyramid/Mirage%20at%20the%20bottom%20of%20the%20pyramid.pdf>

⁸¹ Statement made by Kurt Hoffman, director of the Shell Foundation in *The Index of Global Philanthropy* (2006), p. 23. Found online on 4.12.2010 at URL: <http://gpr.hudson.org/files/publications/GlobalPhilanthropy.pdf>

⁸² World Health Organization [WHO] (2010). *Drinking Water, Sanitation, Health and Disease*. Found online on 03.01.2010 at URL: http://www.who.int/water_sanitation_health/mdg1/en/index.html

The market-based approach focuses precisely on these two problems. Its two main objectives are: (1) To facilitate the access to useful and affordable products and services with a high poverty-alleviation impact for the poor, and (2) to create employment opportunities through sustainable businesses which supply these products and services through a private delivery channel.⁸³ These businesses are preferably run as social enterprises, ideally by the poor themselves, as will be detailed in chapter 2.2. The market-based approach has to be distinguished from the Business Development Services (BDS) approach which focuses on improving the economic performance of small enterprises (SE) in developing countries through training, consultancy and advisory services, marketing assistance, information, technology development and transfer.⁸⁴ While the BDS approach does not impose any requirements on product nature and form, market-based approaches emphasize the delivery of need-based critical goods and services having a positive impact on poverty alleviation.⁸⁵

The key to sustained development is not a supply-driven big push and/or philanthropic charity as has been traditionally promoted by the international aid community, but the creation of a viable market and business system. If the aim of poverty reduction efforts is to catalyze real sustained growth and self-reliant systems in poor developing countries, poor people need to be given the tools for creating their own wealth. They have to be provided with the right incentives to search for solutions which respond to their needs, for solutions which make a real difference in their quality of life.

In industrialized countries, profit has proven to be such an incentive. So then, why not copy strategies of wealth creation that have worked elsewhere and adapt them to the developing world? Learning from past experiences and adapting this knowledge to new situations is the key to success, as pointed out by Duggan in *'The Art of What Works'*. The logic of the market-based approach is simple: Poverty alleviation through market creation and pro-poor business promotion within the BOP.⁸⁶ However, in an unfavorable business environment characterized by political instability, widespread corruption, the lack of quality institutions and the rule of law, its actual implementation is obviously not, as the case study of a safe water project in Guinea, which is subject of the third part of the thesis, is going to reveal.

Before discussing the limits of the approach, the attention will first concentrate on how market creation and business promotion within the BOP should *ideally* work.

⁸³ Heierli, U & Polak, P. (2000). Poverty Alleviation as a Business. The Market Creation Approach to Development [Electronic version]. Bern: SDC, p. 14.

⁸⁴ International Labor Organization [ILO] (2001). *Business Development Services (BDS) for Small Enterprises: Guiding Principles for Donor Intervention*. Found online on 16.01.2010 at URL: <http://www.ilo.org/public/english/employment/ent/papers/guide.htm>

⁸⁵ Heierli & Polak (2000), p. 16. In line with the Acumen Fund (2010). *Using Patient Capital to Build Transformative Businesses*. Found online on 16.01.2010 at URL: <http://www.acumenfund.org/about-us/about-us.html>

⁸⁶ Prahalad (2005). *The Fortune at the Bottom of the Pyramid*. New Jersey: Warton School Publishing, p. 77.

2.1 The poor as customers

2.1.1 The BOP – A profitable market?

The first part of the bestseller *'The Fortune at the Bottom of the Pyramid'* by C.K. Prahalad, Professor for corporate strategy at the University of Michigan, begins with the following statement: *"If we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunities will open up."*⁸⁷ Wherein does the novelty of Prahalad's reflection lie? Rather than looking at the poor as passive aid recipient, for Prahalad those 4 billion living at the bottom of the world's economic pyramid shown in illustration 6 represent potential customers and thus a vast, mostly untapped market for marketing services and goods.

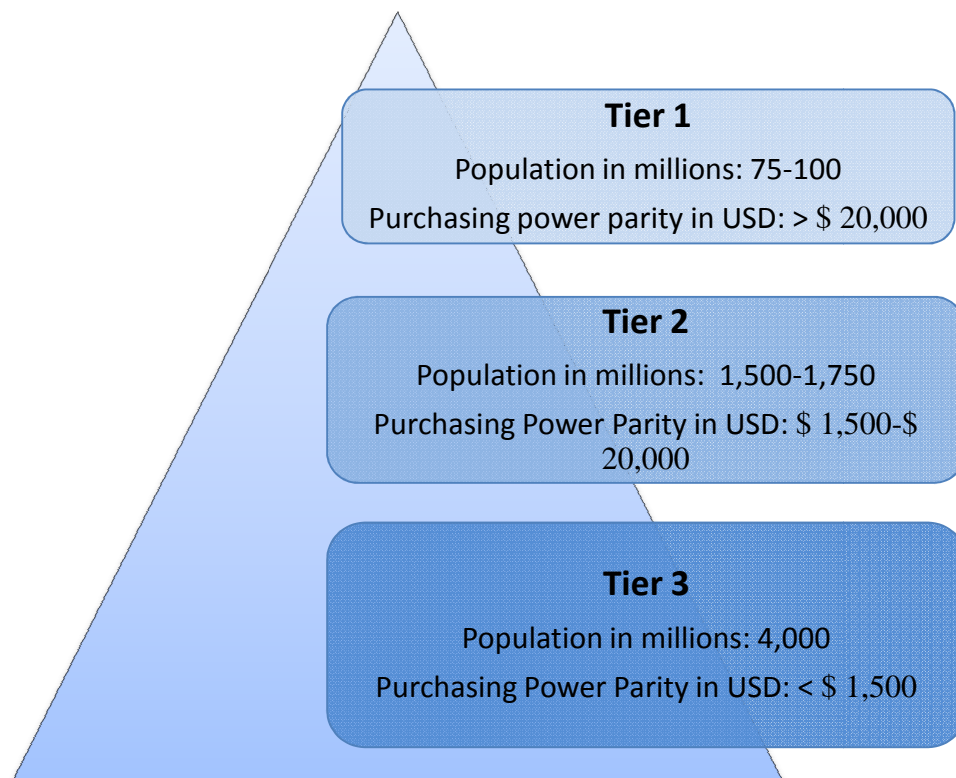


Illustration 4: The world's economic pyramid⁸⁸

Even if the number of four billion people is overestimated – according to the World Bank 2.7 billion of the world's population were living on less than \$ 2 per day in 2005⁸⁹ – the market potential at the BOP is still considerable. By approaching poor people as customers rather than aid beneficiaries, the BOP theory predicts, both the poor and the private sector will be better off. The poor will get the opportunity to profit from an increased supply of

⁸⁷ Prahalad (2005), p. 1.

⁸⁸ Own illustration based on Prahalad (2005), p. 4.

⁸⁹ The World Bank Group (2005). *World Bank Development Indicators 2008. Poverty Data. A supplement to World Bank Development Indicators 2008*. Found online on 09.01.2010 at URL: <http://siteresources.worldbank.org/DATASTATISTICS/Resources/WDI08supplement1216.pdf>, p. 10.

affordable and efficient products and services, and private companies from new growth and selling markets for their goods. Turning poor into customers thus promises to be a highly effective strategy to help the poor out of their poverty trap.

But is there effectively a profitable market at the BOP? One of the several examples Prahalad gives as an evidence for its existence is the dissemination of cell wireless and telecommunication devices among poor people in developing countries. He cites the example of India, where in 2003 approximately 30 million people were in the possession of a cell phone.⁹⁰ In fact, the same phenomenon caught the author's eye during her stays in Mali and Guinea. It is quite surprising to see how many poor people appear to own a cell phone. In Bamako for instance, rechargeable pre-paid cards from French telecommunication providers, are available starting at 1000 CFA (Franc de la Communauté Financière d'Afrique) (approximately \$ 2) in almost every retail shop. In a country like Mali where almost 64 percent live below the national poverty line of less than \$ 2 a day⁹¹, poor people cannot afford to spend \$ 10 at once on a telephone card. What they can do, however, is to buy telephone credits in small units. And there is a growing demand for communication, as the chart on the next page shows: In 2007, a total of 280.7 million mobile phone users were registered in Africa, which accounts for a penetration rate of 30.4 percent, compared to approximately 100 million subscribers in 2005.⁹²

Figure 1: Africa – Mobile Subscribers and Penetration (2002-2012)

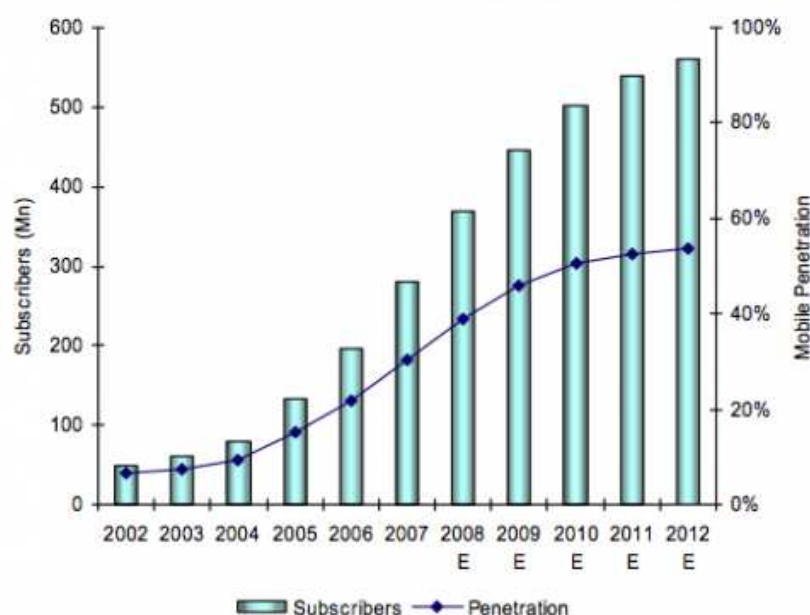


Illustration 5: Cell phone subscription and penetration rates in Africa 2002-2012⁹³

⁹⁰ Prahalad (2005), p.14.

⁹¹ UNDP (2008). *Human Development Indices*. Found online on 10.01.2010 at URL: http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf

⁹² The White African (n.D.) *2007 African Mobile Phone Statistics*. Found online on 10.01.2010 at URL: <http://whiteafrican.com/2008/08/01/2007-african-mobile-phone-statistics/>

⁹³ The White African (n.D.) *2007 African Mobile Phone Statistics*.

Another market example is the increasing number of credit systems providing banking services for BOP customers. One of the most prominent micro-credit providers is the Grameen Bank in Bangladesh which was founded in 1983 by Mohammed Yunus. In 2006, Yunus and his organization were awarded the Nobel Prize for their efforts to facilitate the poor's access to small loans for which traditional moneylenders charged exorbitant interest rates. Against conventional wisdom, Yunus realized that there was a vast unexploited demand for micro-credits among the poor. He began lending money to the poor – preferably to women given their high repayment rate – without asking them for collateral as conventional banks do. By looking at their potential rather than on their actual poverty, the Grameen Bank has been helping people make a difference in their quality of life by supporting income-generating activities such as pottery, weaving, and garment sewing manufacturing, or storage, marketing, transport and peddling services. With success: Today, the Grameen bank is run by the poor and has 7.95 million borrowers, 97 percent of whom are women.⁹⁴ With 2,562 branches, the Grameen Bank provides services in 83,458 villages, covering almost 100 percent of the total villages in Bangladesh.⁹⁵ The institution is financially independent. The Grameen Bank has shown that serving the poor can be a lucrative business: In 2007, the organization reached a profitability of \$ 20 million.⁹⁶

2.1.2 Positive impacts on sustainability and effectiveness

In what ways does considering the poor as consumers/customers help improve the durability and effectiveness of poverty reduction efforts? Basically, in two ways:

First, by looking at the poor not as aid recipient grateful for anything they get, but rather as critical consumers expecting quality from the products they buy, there is more pressure to offer need-based solutions to the problems of the poor. Private businesses have a different sense of accountability towards the poor because they know that their products and services might not be demanded if they fail to meet the expectations of their customers. Market competition forces product and service providers at the BOP to search for those solutions that bring maximum benefit for the poor, something, to which aid agencies, charities and other traditional actors of development cooperation have paid too little attention, as the first part of the thesis has explicitly disclosed.

And second, turning poor into customers is an effective strategy to increase the self-responsibility of poor people at the BOP to make more effective and regular use of products and services designed to improve their livelihoods. Based on personal experiences in Guinea and Mali, the author reckons that there is strong evidence for the assumption whereby poor

⁹⁴ The Grameen Bank (2010). *Is Grameen Bank Different from Other Conventional Banks?* Found online on 10.12.2010 at URL: http://www.grameen-info.org/index.php?option=com_content&task=view&id=16&Itemid=112

⁹⁵ The Grameen Bank (2010). *Is Grameen Bank Different from Other Conventional Banks?*

⁹⁶ The Grameen Bank (2010). *Key Information of Grameen Bank 2008*. Found online on 10.02.2010 at URL: http://www.grameen-info.org/index.php?option=com_content&task=view&id=37&Itemid=426

people appreciate products and services more when they have to pay for them rather than when they are given to them. As is going to be discussed in more detail in the case study of a safe water project in Dabola, Guinea, in the third part of the thesis, in a qualitative survey carried out by the author among 21 households, 11 out of 21 interviewees declared that they would prefer the safe water product (an active chlorine solution) for point of use water treatment and safe storage (POU) produced by Tinkisso, a local NGO, being sold to them.⁹⁷ Asked why, the interviewed people's response was simple but plausible: Because people take more care of the things they have to pay for.⁹⁸ For this reason, Population Service International (PSI), one of the leading NGOs in providing poor people with health care products through social marketing in developing countries across Africa, Asia and South America, is not giving its services for free of charge but sells them to the BOP, as Bureïma Maïga, the person in charge of diarrheal diseases at PSI Mali, explained during an interview conducted in October 2009 in Bamako: "*La principale raison de l'approche vente au lieu de l'approche distribution gratuite tient à la responsabilisation des communautés. Quand on dépense une somme, c'est qu'il y a un besoin et il y a plus de chance que le produit soit utilisé.*"⁹⁹ A similar statement was made by the coordinator of the project "Petits Barrages dans le Bélédougou" (PBB) in the community of Kati, Mali, by the German Development Service (DED) in December 2008 in Bamako.¹⁰⁰ In order to increase the sense of responsibility for the project and the ownership thereof, the DED called the community for which the dam was being built to contribute to the project financially. Previously, the DED had announced through the local radio to provide those villages that were willing to physically and financially participate in the construction of the dam with the necessary technical and financial assistance for its realization. Indeed, during a conversation the author had with villagers, they proudly referred to "their" dam which they had built in cooperation with the DED. An elderly villager told the author that even if this was not the first dam built in the community, older infrastructure provided by other aid agencies had been destroyed since nobody was taking care of them. Why? Because contrary to DED's project, the villagers had not been involved in the initiation, planning, and conducting of the project, nor had they paid for it, he explained.

2.1.3 Obstacles

Given the market opportunities and the positive impacts of approaching the poor as customers on the sustainability of poverty reduction, why is the BOP market still underserved? Why is

⁹⁷ The questionnaire used as a guideline for the survey is presented in the Annex.

⁹⁸ Data collected by the author (field research, September/October 2009). For detailed information, please see part three of the thesis.

⁹⁹ B. Maïga (personal communication, October 16, 2009).

¹⁰⁰ A. Gödecke (personal communication, December 16, 2009). The interview was conducted by the author for a field study on behalf of Agence Française de Développement (AFD) and the Paris based think-tank Institute for Research and Debate on Governance (IRG) on the question "La position des agences de développement bilatérales face aux sociétés civiles du Sud".

poverty alleviation as a business still a widely ignored approach to development among development actors involved in the fight against poverty?

On the one hand this is due to ideological and intellectual barriers which still exist in the minds of development actors and businessmen. There is a widespread perception that poor people have no money. Consequently, BOP markets are perceived as unprofitable. Especially larger companies focus on the first tier of the economic pyramid displayed in illustration 4 given their higher incomes and spending capacity. In addition, there is still a prevalent skepticism about profit-thinking in development assistance among many donors, NGOs and other aid agents. Many of them don't have confidence in the appropriateness of business approaches for solving poverty alleviation issues.¹⁰¹

On the other hand, in many developing countries, there are significant external constraints to market creation and business promotion. The lack of adequate infrastructure makes the BOP a challenging and often difficult place for successful business.¹⁰² Often, basic facilities such as secured electricity provisioning and roads fit for traffic are not in place, making initial upfront investment necessary.¹⁰³ This is especially the case in rural areas.¹⁰⁴ In the region of Dabola in Guinea for instance, electricity breakdowns are a daily occurrence and the roads in a catastrophic condition. Furthermore, developing countries are often affected by tribal, racial and religious tensions as well as rampant crime.¹⁰⁵ But what makes business promotion endeavors most challenging is the lack of effective governance capacity.¹⁰⁶ Flourishing business requires an environment where property rights guarantee the legal ownership of assets, and where social norms and quality institutions ensure law enforcement.

¹⁰¹ Prahalad (2002), p. 9.

¹⁰² Prahalad, C. K. & Hammond, A. (2004). Selling to the Poor [Electronic version]. *Foreign Policy*, No. 142, p. 32. In line with Karnani (2006), p. 6.

¹⁰³ Prahalad & Hammond (2004), p. 32.

¹⁰⁴ Prahalad (2005), p. 13.

¹⁰⁵ Prahalad & Hammond (2004), p. 32.

¹⁰⁶ Prahalad (2005), pp. 77-85.

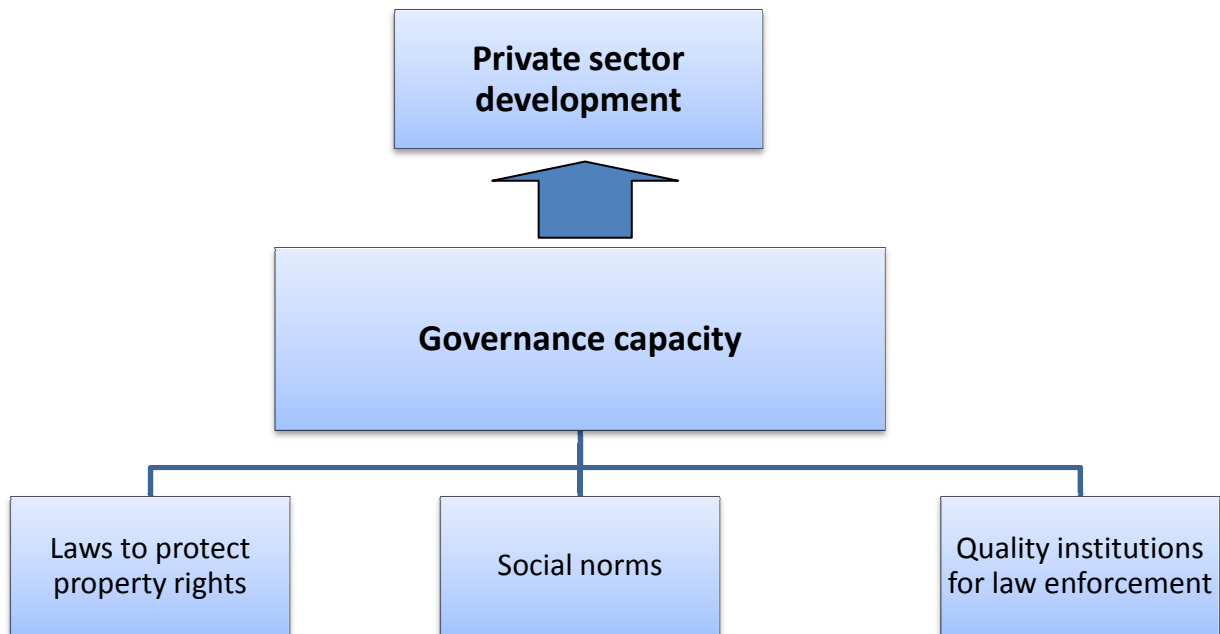


Illustration 6: Governance capacity and private sector development¹⁰⁷

A country lacking effective governance is more prone to political destabilization and turmoil. Leaders of government misuse their privileged power positions for protecting their own interests. As seen in the first part of the thesis, this is the case in many Sub-Saharan countries, where authoritarian regimes have established an insider-system from which their political allies profit. For those actors outside the system, however, there is no or only very weak legal guarantee for their businesses. Yet, in an environment characterized by macro-level insecurity, that is political instability and the lack of institutional and legal security – whether through formal institutions or informal social norms – investor confidence is weak and investments are discouraged.¹⁰⁸ As a consequence, market creation and business promotion is exacerbated.

2.2 The poor as producers

Looking at the poor as customers is just one side of the coin. A market is naturally composed of a demand *and* a supply side. The positive effects of the market-based approach can only be maximized if we look at the poor not only as customers, but also as producers. A fundamental aspect of poverty is the lack of income to spend on products and services. Sustainable income is generated through employment in a growing economy, and the key for growth and job creation are successful businesses. Only by giving the poor the tools for self-sufficiency can

¹⁰⁷ Own illustration based on Prahalad (2005), p. 84.

¹⁰⁸ Alesina et al. (1992), as cited in Collier, P. & Gunning, J. W. (1995). War, peace and private portfolios [Electronic version]. *World Development*, Vol. 23, No. 23, p. 235.

their real income and productivity be increased.¹⁰⁹ The following chapters explain how this can be achieved: Through the promotion of local social entrepreneurship within the BOP.

2.2.1 Promoting entrepreneurship among the poor

2.2.1.1 Opportunities and challenges

Classical BOP theories focus on Multinational Companies (MNC) as the principal business and market catalysts at the BOP. Yet, this thesis takes the view that business promotion within the BOP is preferably achieved through local social entrepreneurship, ideally run by the poor themselves. Hoffman refers to these entities as pro-poor entrepreneurs and defines them as “[...] enterprises owned by, employing, or providing goods and services to poor people”¹¹⁰. By focusing on social and ecological values, the social entrepreneur’s main goal is to achieve poverty alleviation through the creation and provision of innovative products and services with a high benefit for the poor, whether the organization it is set up as a profit or as a non-profit entity.¹¹¹ The benefits of local pro-poor enterprise promotion on sustained poverty reduction are multiple:

- a) Pro-poor enterprises are crucial for employment and job creation, and thus for income generation at the BOP.¹¹² The poor will only be able to lift themselves up out of poverty if they can raise their real income.¹¹³ Pro-poor enterprises give the poor the possibility to participate directly in the quest for better living conditions, and by doing so a feeling for success, usefulness, self-esteem and dignity.
- b) Pro-poor enterprises have local insight and the accurate understanding of income and consumption habits of BOP consumers.¹¹⁴
- c) As grass root organizations, the ownership of pro-poor enterprises is exercised by locals. Given their higher social embeddedness, it is more likely that they are trusted by the local community. Their proximity to the BOP in turn makes it easier for them to get direct and straight feedback from the poor about their real needs and aspirations.
- d) Set up as businesses – unlike charitable organizations – they need to finance their activities through profits they make, which increases their accountability for performance towards their customers.

But pro-poor entrepreneurs also face a range of challenges and difficulties. One of the major problems is the scarcity of financial capital. Many small enterprises lack the necessary

¹⁰⁹ Karnani (2006), pp. 18-25.

¹¹⁰ Hoffman, K. (2008). Placing Enterprise and Business Thinking at the Heart of the War on Poverty. In W. Easterly (Ed.), *Reinventing foreign aid*. Cambridge, London: MIT Press, p. 489. In line with Novogratz (2009), pp. vii-x.

¹¹¹ The Schwab Foundation (n.D.). *What is a Social Entrepreneur?* Found online on 11.10.2010 at URL: <http://www.schwabfound.org/sf/SocialEntrepreneurs/Whatisasocialentrepreneur/index.htm>

¹¹² Karnani (2006), pp. 18-25. In line with Heierli & Polak (2000), p. 64.

¹¹³ Karnani (2006), pp. 18-25.

¹¹⁴ Karnani (2006), p. 6.

capital for start-up and long-term investments in product and process (delivery) development with long terms returns.¹¹⁵ Another problem is the lack of technological knowhow and skilled human capital that could assume the leadership of such enterprises. In many developing countries with weak economy, weak state capacities and a strong aid industry, talented labor is attracted by international donors and big NGOs – since they offer much better working conditions and higher salaries – instead of being employed in the private sector. Successful entrepreneurship is further exacerbated by the lack of adequate infrastructure (transportation, communication etc.). In addition, given the limited purchasing power of poor people, the profit margin on individual units in BOP markets is naturally low. Consequently, profitability in BOP markets is reached through large volume, low risk, and high capital efficiency (high return on capital employed, short ROCE).¹¹⁶ This requires a certain market capacity. Whereas the market size in urban areas is considerable, the poor in rural areas are geographically scattered. Yet, without adequate supply channels these zones are difficult to reach, which negatively affects the capacity to create new markets. Ultimately, many pro-poor enterprises fail to assure quality standards due to a lack of human and financial capital, innovative technology, resources and appropriate infrastructure.¹¹⁷

2.2.1.2 Examples of successful pro-poor entrepreneurs

*The Blue Bakery*¹¹⁸

In her book *'The Blue Sweater'*, Jacqueline Novogratz, the CEO of Acumen Fund – a nonprofit venture capital firm she founded in 2001 to invest in sustainable businesses providing health care, safe water, alternative energy, and housing to the poor in developing countries across Asia and Africa¹¹⁹ – gives an illustrative example of how successful local entrepreneurship within the BOP can work. Novogratz explains how during her employment in Kigali, Rwanda, she came to hear about a women's group called "Les Femmes Seules" (single women in English) in Nyamiramba, a poor neighborhood in Kigali. The women of the group came together every morning in order to prepare pastries which they would sell in the street and in the government offices for 10 Rwandan Francs each. Even though the women worked every day, the project was losing money. The loss, \$ 650 a month, was covered by a charitable organization. Novogratz notes:

*"This was a perfect illustration of why traditional charity too often fails: well-intentioned people gave poor women something "nice" to do and subsidized the project until there was no money left. This is a no-fail way to keep people in poverty. I wondered aloud why the charities didn't get tired of keeping the enterprise going. How would this survive in the long term?"*¹²⁰

¹¹⁵ Heierli & Polak (2000), p. 31.

¹¹⁶ Prahalad (2005), p. 24. In line with Prahalad, C. K & Hammond, A. (2002). *Serving the World's Poor, Profitability* [Electronic version]. *Harvard Business Review*, p. 53.

¹¹⁷ Heierli & Polak (2000), p. 64.

¹¹⁸ The example is taken from Novogratz (2000), pp. 64-78.

¹¹⁹ For further information, see the Acumen Fund's webpage: <http://www.acumenfund.org/>

¹²⁰ Novogratz (2009), p. 69.

As she liked the concept of the project, Novogratz offered the women her help if they agreed on running the project not as a charity but as a business. By improving the quality of the pastries sold, introducing a performance wage system and marketing, the sales increased. Despite several setbacks, the project started to make profit within several months. The initial charity-dependent project turned into a real, profitable bakery – named the *Blue Bakery* after its blue print – from where the women could sell their pastries directly to their neighborhood customers. The income of the women rose from 50 ¢ to \$ 2 a day, a quite respectable sum for Rwandan standards. For the first time in their lives, the women got the chance to participate in creating their own success. For Novogratz the story of the blue bakery was a positive example of “[...] *human transformation that comes with being seen, being held accountable, succeeding*”¹²¹. An example of how poor people gain dignity if they are given the means for self-sufficiency.¹²²

A to Z Textile Mills Ltd: Highly effective anti-malaria bed nets for the poor

In Africa, about one million people die from malaria every year, most of them pregnant women and children under five years,¹²³ even if infection could easily be prevented through the use of bed nets. An effective protection against malaria is provided by long lasting insecticidal anti-malaria bed nets manufactured by the Tanzanian company A to Z Textile Mills Ltd. The bed nets, called Olyset Nets, are effective up to five years, whereas ordinary bed nets need to be chemically treated at least once a year in order not to lose their effectiveness. The production is based on a technology developed in Japan and made accessible in East Africa through a public-private partnership. Currently, the production has exceeded over 20’000 bed nets a year. Started as a small family business with five sewing machines, today, A to Z Textile Mills Ltd. not only provides millions of vulnerable families with life-saving anti-malaria bed nets, but also employment opportunities to more than 5’000 local people, primarily women.¹²⁴

2.2.2 Partnerships with the established private sector

The prospect of success of pro-poor enterprises and the profitability of their supply channels could be improved by liaisons with larger corporate businesses. The longer big companies are concerned with fulfilling their corporate social responsibility (CSR) which Hediger defines as “[...] *a program of action where a firm’s objective is to maximize its profits and, at the same*

¹²¹ Novogratz (2009), p. 78.

¹²² Novogratz (2009), pp. 64-78.

¹²³ WHO (2003). *UNICEF, WHO, and Acumen Fund announce introduction in Africa of new technology to fight malaria*. Found online on 14.01.2010 at URL: <http://www.who.int/mediacentre/news/releases/2003/pr71/en/index.html>

¹²⁴ The Acumen Fund (2010). *A to Z Textile Mills. Long-lasting Anti-Malaria Bednets*. Found online on 15.01.2010 at URL: <http://www.acumenfund.org/investment/a-to-z-textile-mills.html>. See also: Novogratz (2009), pp. 228-243.

time, to contribute to the improvement of social welfare"¹²⁵. Many corporate businesses support social projects through funding in developing countries. A good example for this purpose is the Shell Group, one of the world's largest energy companies. In 2000, the Shell Group founded the Shell Foundation, a charitable organization which is investing in social entrepreneurial programs in developing countries based on an "enterprise-based approach". One of the core objectives of the Shell Foundation is facilitating the injection of "business DNA" into the development supply chain, in other words the adoption of a set of best practices from the private sector to development objectives.¹²⁶ For this purpose, larger companies are particularly well suited, as Hoffman, the president of the Shell Foundation reckons: "*My core position is that through harnessing its value-creating assets, big business is especially well equipped to add enormous value to pro-poor enterprise initiatives and elsewhere in the poverty war.*"¹²⁷ This argument is furthermore supported by Heierli who points out the excellent marketing skills of large corporations which they could share and bring into large-scale distribution of pro-poor products and services to the BOP.¹²⁸

Indeed, through liaising with large private companies from the profit as well as nonprofit sector, pro-poor entrepreneurs could learn how to improve their managerial, business and marketing practices. Not only could they benefit from already existing distribution systems for successfully disseminating products and services to a larger clientele, but also from a transfer of innovative technologies for improved product and process development. Moreover, large companies could connect pro-poor enterprises to regional or even global market by franchising their products and services so that the poor can participate in the benefits of globalization.

2.3 Targeting the BOP through social marketing

2.3.1 Why social marketing?

We have regarded the poor as consumers/customers and as producers by arguing in favor of the market-based approach as a suitable strategy for achieving self-sustained economic development at the BOP. So far, so good. Yet, for creating a viable market both sides need to be brought together. Grass root producers need to learn about the problems and real needs of BOP consumers for creating suitable products and services that offer an effective solution for their problems. The ability to create products for which customers are willing to pay is highly important for developing new markets on thus for a firm's economic success.

¹²⁵ Hediger, W. (2007). Framing corporate social responsibility and contribution to sustainable development. *CCRS Working Paper*, No. 02/07, p. 6. Found online on 13.01.2010 at URL:

http://www.ccrs.uzh.ch/images/ccrs-wp0207_Hediger-2.pdf

¹²⁶ Shell Foundation (2010). *Business DNA*. Found online on

http://www.shellfoundation.org/pages/core_lines.php?p=our_approach_content&page=businessdna

¹²⁷ Hoffman (2008), p. 494.

¹²⁸ Heierli & Polak (2000), p. 73.

In the ordinary business world, enterprises use the concept of marketing to get feedback from their customers and for designing and providing appropriate products which meet their needs. Yet, pro-poor products with a high poverty alleviation impact are comprised not only of the physical product as is the case with conventional consumer goods, but also of an idea, a message aiming at changing certain behavior patterns. In fact, the physical good is only a tool or method to reach a higher social purpose. For example, the primary goal of marketing condoms is not to increase the sales of condoms, but better family planning and protection against venereal disease through contraception.¹²⁹ Similarly, marketing safe water products for drinking water treatment are aimed at reducing diseases caused by the consumption of contaminated water.

An appropriate framework for planning and implementing social change is social marketing.¹³⁰ Kotler and Zaltman define social marketing as “[...] *the design, implementation, and control of programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing communication, distribution, and marketing research*”¹³¹. For reaching its goals and target groups, social marketing draws on the same concept used in conventional marketing, namely the marketing mix which is composed of the 4Ps:¹³²

- (1) Product;
- (2) Price;
- (3) Place;
- (4) Promotion.

Marketing is a key strategy for an effective implementation of market-based approaches.¹³³ The following chapter thus explains how pro-poor enterprises can apply market research and the marketing mix for successfully marketing products and services to the BOP.

2.3.2 The social marketing mix: The 4Ps

2.3.2.1 Market research

Before developing and implementing a social marketing campaign, marketers of BOP products and services have to gather information on the needs and attitudes of the targeted groups in order to tailor their campaigns on the specific preferences of their customers. Social marketing requires information regarding the socio-demographic peculiarities (e.g. income, education, age, and gender), psychology (e.g. attitudes, values, motivation, priorities), and behavior patterns (e.g. consumer buying habits and decision making modalities) of the

¹²⁹ Kotler, P. & Roberto, E. (1989). *Social Marketing*. Düsseldorf, Wien, New York: ECON Verlag, p. 174.

¹³⁰ Kotler, P. & Zaltman, G. (1971). Social Marketing: An Approach to Planned Social Change [Electronic version]. *Journal of Marketing*, Vol. 35, No. 3, p. 3.

¹³¹ Kotler & Zaltman (1971), p.5.

¹³² Kotler & Roberto (1989), p. 58. In line with Kotler & Zaltman (1971), pp. 5-12.

¹³³ Heierli & Polak (2000), p. 16.

targeted groups.¹³⁴ An appropriate tool for collecting these types of data is market research which the American Marketing Association (AMA) defines as “[...] *the function that links the consumer, customer, and public to the marketer through information [...] used to identify and define marketing opportunities and problems [...]*”¹³⁵.

Given the lack of bottom-up feedback mechanisms of conventional development approaches and the limited communication facilities of poor people, little research has been carried out on the needs and consumption behaviors of the BOP so far. Certainly, poor people cannot afford to buy luxury products; their first priority is to cover their basic needs such as food, clothing and housing.¹³⁶ But like other people, they have preferences. The survey conducted among households in Dabola on an active chlorine product for POU for instance revealed a clear preference for 250-500 ml small bottles of chlorine solution instead of 1 liter.¹³⁷ Apparently, there is a knowledge gap, and this gap can be closed through empirical social research. A highly revealing technique are qualitative surveys at household level, which allow the marketers to learn in an open, spontaneous way based on mutual communication¹³⁸ about the real needs, preferences and attitudes of BOP consumers.

2.3.2.2 *Product: Functionality, design and quality*

The social marketer’s main attempt is to create products that match with the needs of its targeted customers.¹³⁹ The market based approach implies that these products are designed in a way that allows reducing the poverty burden of people living at the BOP to the greatest extent.¹⁴⁰ In other words: Their use has to lead to a positive change in quality of life. For this purpose, in the first place pro-poor products need to be functional.¹⁴¹ A good example for a highly functional pro-poor product are malaria bed nets developed by the Tanzanian company A to Z Textile Mills described in section 2.2.1.2, or the active chlorine solution from the case study in part three.

An important component of functionality is the design. The design must take into account the usually low educational level of BOP consumers which makes it difficult for them to use highly elaborated products. Ideally, products designed for the BOP are easy to handle without much explanation. Moreover, BOP products must be adapted to a hostile environment which is characterized by low quality of infrastructure, such as electricity (e.g. blackouts), transportation systems (e.g. lack of appropriate roads), or water (e.g. shortage of water

¹³⁴ Kotler & Roberto (1989), p. 39.

¹³⁵ American Marketing Association [AMA] (2000). *Definition of Marketing*. Found online on 13.01.2010 at URL: <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>

¹³⁶ Karnani (2006), p. 5.

¹³⁷ Data collected by the author (field research, September/October 2009).

¹³⁸ Atteslander, P. (2000). *Methoden der empirischen Sozialforschung*. Berlin, New York: Walter de Gruyter, pp. 78-79, 102-103.

¹³⁹ Kotler & Roberto (1989), p. 160.

¹⁴⁰ Heierli & Polak (2000), p. 16. In line with Heierli, U. (2008). *Why is it so hard to get safe water to the poor – and so profitable to sell it to the rich* [Electronic version]. Bern: SDC publication, pp. 21-22.

¹⁴¹ Prahalad (2005), pp. 34-36.

provision, bacterial contamination).¹⁴² In addition, marketers must think of an appropriate packaging (material, form, size, volume, weight, etiquette etc.). Buying decisions often depend on the first impression of a product, and its package is the first thing which catches the consumer's eye. Not only does the package protect the product during storage and transportation, it also an important carrier of information.¹⁴³ Especially the product's name should be easy to memorize and distinctive, and express the benefit as well as the quality of the product.¹⁴⁴ Finally, packages should be as little resource intensive as possible for minimizing the waste produced.

In short: The social marketer's challenge is to provide a functional quality product. Yet, he or she should avoid labeling the product as a "product for the poor" which is often perceived as a poor quality product, which nobody wants to buy, especially not the poor.¹⁴⁵

2.3.2.3 Price: Affordability and capacity to consume

The price stands for the costs a buyer has to accept for getting a product.¹⁴⁶ Paradoxically, despite their limited purchasing power poor people often pay a much higher price – a price mark-up called poverty penalty¹⁴⁷ – for the same products than high income people. For example, in a poor neighborhood of Mumbai, people spend ten times more for diarrheal medication than in a higher income neighborhood.¹⁴⁸ By the same token, water costs five to ten times more for poor people living in urban slums of large cities such as Jakarta, Lima, Manila and Nairobi than for middle and high income residents of the same city.¹⁴⁹ Affordability is a big issue for consumers at the BOP. Thus designing functional products for the BOP is not enough. Above all, pro-poor products have to be affordable. As Prahalad points out, "*servicing BOP markets [...] is about creating a new price performance envelope,*"¹⁵⁰ which means that BOP products not only have to be of good quality (functional and effective), but also low priced.

Yet, a price reduction is usually accompanied by a drop in quality and efficacy. The question is thus: How to make a pro-poor product more affordable for BOP consumers without significant cuts in quality and efficacy? The answer: by creating a capacity to consume at the BOP.¹⁵¹ This can be achieved in two ways: (1) through offering smaller units, such as single serve packages, and/or (2) through innovative purchasing schemes, such as

¹⁴² Prahalad (2005), pp. 42-43.

¹⁴³ Tomczak, T. & Kuss, A. (2004). *Marketingplanung. Einführung in die marktorientierte Unternehmens- und Geschäftsfeldplanung*. Wiesbaden: Gabler, p. 225.

¹⁴⁴ Kotler & Roberto (1989), p. 175.

¹⁴⁵ Heierli & Polak (2000), p. 23.

¹⁴⁶ Kotler & Zaltman (1971), p. 9.

¹⁴⁷ Prahalad (2005), p. 11.

¹⁴⁸ Prahalad (2005), p. 11.

¹⁴⁹ UNDP (2006). *Human Development Report 2006*. Found online on 15.01.2010 at URL:

<http://hdr.undp.org/en/media/HDR06-complete.pdf>, p. 52. In line with Heierli (2008), pp. 17-18.

¹⁵⁰ Prahalad (2005), p. 25.

¹⁵¹ Prahalad (2005), pp. 17-18.

payment in installments.¹⁵² Especially single serve packages are widespread in many developing countries. In Bamako, Mali, for instance most people cannot afford to buy a whole box of detergent. Instead, they buy detergent in sachets which can be used for one to two washings, even if absolutely seen they pay more for it. Another option is price differentiation. Why consider pro-poor products as exclusively reserved for BOP consumers? In fact, they can also be of great utility and thus interest for middle and higher income people. Active chlorine for instance might not only be used for drinking water purification, but also as an interesting alternative to pricy Javel water. Consequently, depending on the price elasticity, a different price could be demanded from different customer segments. And by selling BOP products at higher prices to a middle and high income clientele, prices for BOP consumers could be subsidized.

All in all, pricing is a very delicate issue. Too low price-setting bears the risk of positioning the product as a low quality product nobody wants to buy. On the other hand, too high price-setting makes the product unaffordable for the poor. The art is to find an adequate price which sets the right quality signals, is “equitable” for the poor, and helps the supply channel to be profitable.

2.3.2.4 *Place: Accessibility and distribution*

The third big issue marketers of BOP products and services face is accessibility. Even if urbanization is proceeding, the majority of the population of many developing countries still lives in rural areas. In Africa, the rural population currently counts for 60 percent.¹⁵³ Designing appropriate distribution channels and building up logistic infrastructure for accessing the poor at low cost is thus critical for developing markets at the BOP.¹⁵⁴ Yet, successful dissemination is often exacerbated by poor transporting infrastructure many BOP markets feature. As we will see in the case study of marketing safe water in Dabola, one of the main reasons why the distribution of active chlorine is hampered into rural zones is the lack of appropriate transportation facilities and the poor condition of roads.

Marketers must further decide whether they want to supply their products directly or indirectly through intermediaries or sale agents. Intermediaries and sale agents reach a higher area coverage given their direct contacts to consumers and experiences with BOP markets.¹⁵⁵ A high geographical penetration in turn is crucial for accessing rural areas. In Mali for example, PSI is successfully disseminating its products through a system of local retailers and pharmacies.¹⁵⁶ Another option is using a system of kiosks. In Kibera for instance, Nairobi’s largest slum with an estimated population density of 500’000 people, water is mostly supplied

¹⁵² Prahalad (2005), pp. 17-18.

¹⁵³ United Nations Population Fund [UNPF] (2010). *World Urbanization Prospects: The 2007 Revision Population Database*. Found online on 16.01.2010 at URL: <http://esa.un.org/unup/p2k0data.asp>

¹⁵⁴ Kotler & Roberto (1989), p. 194.

¹⁵⁵ Kotler & Roberto (1989), p. 185. In line with Heierli & Polak (2000), p. 17.

¹⁵⁶ B. Maïga (personal communication, October 16, 2009).

through a system of kiosks run by small local businesses or NGOs.¹⁵⁷ The effectiveness of intermediaries and sales agents, however, highly depends on their specialization, experience, functional compliance, image, flexibility, and controllability.¹⁵⁸

Irrespective of the kind of supply system marketers of BOP products chose, the key is to increase the accessibility of their products, so that the poor do not have to travel long distance for reaching them.

2.3.2.5 Promotion: Awareness rising through appropriate communication

Kotler and Zaltman define promotion as “[...] *the communication-persuasion strategy and tactics that will make the product familiar, acceptable, and even desirable to the audience*”¹⁵⁹. Promotion in social marketing has two objectives: First, to increase the awareness of the targeted groups for a specific issue such as health care or family planning. And second, to convince the targeted groups of the effectiveness of the offered product in solving the addressed problem, so that the people are willing to buy it.¹⁶⁰

The effective transmission of messages depends very much on the choice of appropriate communication channels. In a first step, mass media such TV, radio, and newspaper help to disseminate the message to a large audience in a relatively short time.¹⁶¹ Not only does mass media have a large coverage, it has also the advantage of being relatively cost effective.¹⁶² In a smaller scale, however, placards, billboards, pamphlets etc. might be more practical. Given the high illiteracy rate at the BOP, media using non-verbal elements and images are highly effective in making relatively complex messages comprehensible for the poor. For example, in its actual campaign for the product “Aquatabs”, a chlorine tablet for POU, PSI Mali is using placards and pamphlets showing a healthy, smiling family. The text is reduced to a minimum. Despite the few words



Illustration 7: PSI advertisement of „Aquatabs“¹⁶³

¹⁵⁷ The World Bank Group (2005). *Rogues No More? Water Kiosks Operators Achieve Credibility in Kiberia*. Found online on 16.01.2010 at URL: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2005/07/22/000011823_20050722175330/Rendered/PDF/330630PAPER0Rogues120No120More10Kibera.pdf, p. 5.

¹⁵⁸ Tomczak & Kuss (2004), p. 241.

¹⁵⁹ Kotler & Zaltman (1971), p. 7.

¹⁶⁰ Kotler & Roberto (1989), pp. 213-234.

¹⁶¹ Kotler & Roberto (1989), p. 213.

¹⁶² Tomczak & Kuss (2004), p. 234.

¹⁶³ Illustration received from B. Maïga (personal communication, November 7, 2009).

used, the message is clear: Water disinfected with “Aquatabs” is good for you and your family’s health.

In a second step, interpersonal communication ideally through qualified local personnel given their social embeddedness and proximity to the BOP – helps to reinforce the message. Unlike mass communication, interpersonal communication has the advantage of responding to specific needs of individual persons. An important component of interpersonal communication is education. Pro-poor products are only effective if they are properly used. In the case of drinking water treatment for example, the consumer needs to know the exact quantity of active chlorine he or she has to add to a certain amount of water. Otherwise, the water is not purified. By the same token, malaria bed nets need to be impregnated. If not, they don’t provide effective protection against mosquitoes. The poor, given their limited budgets, often do not buy a product before they haven’t seen how it works.¹⁶⁴ Physical contact is therefore highly important. Interpersonal communication enables live product demonstrations which have a higher persuasion effect on consumers. Finally, interpersonal communication plays a critical role in reaching people in rural zones which are often not covered by television or radio.

The ideal promotion strategy hence combines elements of mass as well as interpersonal communication. What is crucial is the continuity and reinforcement of the communication flow in order to avoid promotion from dying away.

2.4 The role of donors and other funding organizations

What can donors, NGOs, charities and other aid agents do to help create a viable BOP market to make poverty alleviation through pro-poor business promotion work?

First and foremost: They have to change their mindsets. Instead of thinking of the poor as people deprived of freedom and economic wealth, waiting passively for help, they have to look at them as individuals with personal aspirations and feelings, and their potential to make a real change in their lives. They have to look at them as smart entrepreneurs, who, if given the right tools, technology, knowledge, and time can reach self-sufficiency and thus self-esteem and dignity without being depended on donor funding in the long term. For this purpose, traditional development actors need to rethink their roles in two fundamental ways:

First, rather than acting like charities disbursing their funds as giveaways or handouts – as it has been the case for many decades – aid agents should act more like investors. They should give less, but invest more.¹⁶⁵ They have to fight poverty from a more “insightful way”¹⁶⁶. An excellent example of how funding organization ought to behave is the Acumen Fund. Unlike other non-profit organizations, the Acumen Fund doesn’t donate its charitable funds, but invests them in pro-poor enterprises in developing countries providing health care, safe water,

¹⁶⁴ Heierli & Polak (2000), p. 17.

¹⁶⁵ Hoffmann (2008), p. 489.

¹⁶⁶ Novogratz (2009), p. vii.

alternative energy, and housing to low-income people. The investments are made in the form of “patient capital”, which is understood as equity or debt investments with a payback horizon of five to seven years.¹⁶⁷ The Acumen fund is one of those non-profit venture organizations which have recognized the power of markets in developing practical solutions for eradicating poverty. Jacqueline Novogratz, founder and CEO of the Acumen Fund, circumscribes the organization’s philosophy as follows:

“We’ve seen what can happen when an entrepreneur views the market as a listening [feedback] device that reveals how to tailor services and products to the preferences of low-income people who are views as customers, not victims. The entrepreneurs are driven to build systems that can eventually sustain themselves and, ultimately, serve a wide swath of the population.”¹⁶⁸

The ultimate goal of donor intervention should be to help poor people help themselves. The key is to invest in projects with measurable costs and impacts that can be taken to scale.¹⁶⁹ Not the aid volume disbursed should matter, but the results achieved. Poor people will only profit from development assistance if it offers practical solutions to their problems. For this purpose, development actors need to listen and get feedback from the poor by getting there where poor people work and live. Reality looks much different in the field than from a comfortable office of a development agency, the UN or the World Bank in Europe or in the United States. From a far distance, we can hardly imagine the difficulties and challenges poor people, and those who want to help them, are confronted with. Poor people are poor because they don’t have enough money. Development assistance thus has to focus on creating employment opportunities so that the poor can look after themselves long after international donors and charities are gone. We live in a world where money means power. Economically self-reliant people will be more powerful, not only in securing better livelihoods, but also in holding corrupt and badly performing governments accountable for their poor performances. In this respect, using market-oriented business approaches for solving poverty problems is a way for strengthening a government’s accountability towards its citizen and good governance.

Second, donors should assume the role of facilitators. Under the market-based approach, the leading actors are not development agencies, NGOs and other aid agents, but grass root social entrepreneurs and the private sector. Donors should limit their interventions to facilitate marketing efforts through subsidizing start-up funding, research and development (R&D) and promotion of products and services developed for the poor. Their task is to encourage public-private partnerships and to help create a favorable business environment through policy dialogue in which successful entrepreneurship can flourish.¹⁷⁰

¹⁶⁷ The Acumen Fund (2010). *What is Patient Capital? A New Approach to Tackling Poverty*. Found online on 18.01.2010 at URL: <http://www.acumenfund.org/about-us/what-is-patient-capital.html>

¹⁶⁸ Novogratz (2009), p. vii.

¹⁶⁹ Polak, P. (2008). *Out of Poverty. What works when traditional approaches fail*. San Francisco: Berrett-Koehler Publishers, Inc., p. 21.

¹⁷⁰ Heierli & Polak (2000), p. 68.

In this part, we looked at the poor as consumers/customers and producers. We argued in favor of market creation and business promotion within the BOP for achieving long-lasting development outcomes. We saw how successful pro-poor entrepreneurship – such as the blue bakery providing previously socially randomized women with better incomes in Rwanda, the Grameen Bank in Bangladesh making micro-credits affordable to the poor, or the company A to Z Textile Milles which is successfully manufacturing life saving anti-malaria bed nets in Tanzania – can make a real difference in changing the lives of those living at the BOP. It was explained how local entrepreneurs can use social marketing tools for successfully marketing their products to the BOP.

Yet, the market-based approach, even if it has proven to deliver more sustainable results than traditional development approaches, is not a panacea for poverty. Its successful realization and implementation highly depends on the context. The blue bakery, for instance, was a flourishing business, until the Rwandan genocide in 1994 destroyed “[...] *so much of what was beautiful*”, as Jacqueline Novogratz wistfully notes.¹⁷¹ Beyond doubt, Rwanda is an extreme case of human calamity. However, institutional breakdown is not something of rarity in Sub-Saharan Africa. Unfortunately, many African countries lack the necessary political stability which is requisite for effective market creation and business promotion within the BOP.

Hence, the third and final part of the thesis is dedicated to the limits of the market-based approach, exemplified on marketing safe water to the BOP in Dabola, Guinea.

¹⁷¹ Novogratz (2009), p. 78.

3. Limits of market creation and business promotion within the BOP – A case study of marketing safe water in Guinea

The following case study is based on observations made by the author during a field study in Dabola, a prefecture named after its prefectural town Dabola in Central Guinea, on behalf of the Geneva based NGO Antenna Technologies (ATG) in September 2009. ATG is dedicated to the development and dissemination of technological solutions for meeting the needs of low-income people in the field of water supply, nutrition, energy and traditional medicine.¹⁷² The field study aimed at assessing the capability of ATG's local partner, Tinkisso, to improve the access to clean and drinkable water for the local population by commercially promoting a locally produced chlorine solution called "Wata Eau" for POU. The field research included a qualitative survey among 21 households in the urban and rural zones of Dabola, interviews with two health centers, two community agents involved in the promotion of the product and staff members of Tinkisso.



Illustration 8: The map of Guinea¹⁷³

unfavorable socio-political environment. Before the results of the evaluation are discussed in more detail in chapter 3.2, a brief overview of the political and historical context in which the case study is imbedded, is given. This knowledge is critical in order to understand the conclusions drawn on the practicability of market-based approaches in a context marked by political instability, i.e. ineffective governance and a lack of rule of law.

The reason for the case study's presentation is because it has inspired the author to reflect on the effectiveness of conventional development cooperation and on the feasibility and practicability of business approaches for poverty alleviation. In fact, the case study is a revealing example of how successful market creation and business promotion within the BOP

can be exacerbated by an

¹⁷² For more information see ATG's website: <http://www.antenna.ch/en/antenna-technologies.html>

¹⁷³ Found online on 20.01.2010 at URL: http://www.lonelyplanet.com/maps/africa/guinea/map_of_guinea.jpg

3.1 Context: Guinea – poorly governed, poorly developed

Guinea was the first French colony that gained independence in 1958, after the leader of its independent movement and Guinea's strongest labor union, Ahmed Sekou Touré, had rejected Charles de Gaulle's proposal of becoming an autonomous republic in a Franco-African community, and instead declared preferring "freedom in poverty to prosperity in chains". Despite these early hopes of democracy, the country has been ruled by authoritarian regimes ever since, a destiny which it shares with so many other former African colonies. Touré became Guinea's first president and was in power from 1958-1984. After Touré's death a second dictatorship was installed by Lansana Conté who assumed power by a military led coup d'état in 1984. History repeated itself when, after Conté's death in December 2008, Captain Moussa Dadis Camara seized power, again in a military-led coup d'état. Despite their early plight to allow democratic elections in late 2009, Camara and his National Council for Democracy and Development (Conseil National de la Démocratie et du Développement, CNDD), Guinea's ruling junta, have not kept their promises yet.¹⁷⁴

In fact, Camara displayed his intention to remain in power unambiguously through an act of violence in September 2009: On the 28 of September, members of his presidential guard assassinated at least 156 people in the stadium of Conakry who were peacefully protesting against Camara's ambitions to present himself as an official candidate for the upcoming presidential elections¹⁷⁵, despite having promised not to do so.¹⁷⁶ Several human rights organizations reported of deliberate mass killings of members of the opposition and their supporters, of women raped in broad daylight, exposed to public view; Atrocities which go beyond human imagination and which traumatized the country. Even in Dabola, which is about a 600 km away from Conakry, people were put into a state of shock by what had happened in the capital city. Anxiety that the political tensions could end in a civil war paralyzed everybody's thoughts and daily lives. The consequences of the events became even more perceptible after a week when the provisioning with goods from the capital city, primarily fuel, dropped out, and blackouts became more frequent. Within less than a week, the security situation in Guinea had dramatically deteriorated.

In a report released on the 19th December by an UN panel mandated with the investigation of the incidents from September, Camara and his accessories were accused of having committed "crimes against humanity".¹⁷⁷ The report called for an international persecution of

¹⁷⁴ Helvetas (2009). *La transition démocratique en Guinée vue par une équipe de journalistes maliens*. Internal press report, p. 2. See also: CIA (2010). *The World Factbook. Guinea*. Found online on 19.01.2010 at URL: <https://www.cia.gov/library/publications/the-world-factbook/geos/gv.html>. Further: The Fund for Peace (2009). *Guinea. Historical Overview*. Found online on 20.01.2010 at URL: http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=384&Itemid=541

¹⁷⁵ The elections were originally scheduled for December 2009 but have been postponed to a date which is unknown yet.

¹⁷⁶ Many victims were found later in mass graves. It is thus likely that the death toll was far higher than 156.

¹⁷⁷ MacFarquhar, N. (2009, December 21). U.N. Panel Calls for Court in Guinea Massacre. *The New York Times*. Found online on 23.12.2009 at URL: http://www.nytimes.com/2009/12/22/world/africa/22guinea.html?_r=1&scp=5&sq=Guinea&st=cse

the military ruler and his adjutants by the International Criminal Court (ICC) in The Hague.¹⁷⁸ Yet so far, there haven't been any arrests. Camara is still under medical treatment in Morocco, where he was sent after he was injured in an assassination attempt committed by his own guards in early December.¹⁷⁹

According to the latest news, Guinea's interim president and Camara's deputy, General Sékouba Konaté, has raised hopes for a democratic transition by appointing Jean-Marie Doré, one of Guinea's leading opposition politicians and leader of the opposition coalition called "Forces Vives" as prime minister on the 18th of January. Doré's nomination can be seen as a critical step towards the introduction of democratic elections and a civil regime in the upcoming months. It is highly probable, though, that in the background, the military will remain the true "power master". Whether Guinea finds peace in the near future thus remains highly questionable.¹⁸⁰

After more than five decades of mismanagement, the country is one of the world's poorest with over 47 percent of its population living below the poverty line,¹⁸¹ despite its leading position in the exports of bauxite. There is little surprise hence that Guinea is ranked as number nine in the 2009 FSI, an annually published list by Foreign Policy.¹⁸²

¹⁷⁸ MacFarquhar (2009).

¹⁷⁹ Châtelot, Ch. (2009, December 16). La Guinée, en pleine confusion, songe à l'après-Dadis. *Le Monde*. Found online on 18.12.2009 at URL : http://www.lemonde.fr/afrique/article/2009/12/16/la-guinee-dans-le-chaos-avec-ou-sans-dadis-camara_1281367_3212.html#ens_id=1246411

¹⁸⁰ MacFarquhar (2009). In line with Châtelot, Ch. (2010, January 19). Guinée: Jean-Marie Doré, un opposant nommé premier ministre. *Le Monde*. Found online on 20.01.2010 at URL : http://www.lemonde.fr/afrique/article/2010/01/19/guinee-jean-marie-dore-un-opposant-nomme-premier-ministre_1293718_3212.html#ens_id=1246411

¹⁸¹ The Fund for Peace (2009). *Guinea*. Found online on 20.01.2010 at URL: http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=384&Itemid=541

¹⁸² Foreign Policy (2009). *The Failed States Index 2009*.

3.2 Local chlorine production in Dabola

3.2.1 Project description

Since 2007, Tinkisso, a local NGO and partner of ATG, intervenes in the urban and rural zones of Dabola in order to improve the access to clean and drinkable water of the local population, with an estimated total of 111'363 people¹⁸³. For this purpose, Tinkisso has set up a local chlorine production site with three Maxi WATA devices; two of them are in use and produce 360 liters of an active chlorine solution (sodium hypochlorite or bleach) in 12 hours through the electrolysis of salted water for POU water treatment.¹⁸⁴ The WATA device was developed by ATG and is part of the WATASOL approach, which includes the local production of active chlorine, health education for the local population as well as the marketing of the chlorine solution as a branded product aiming at making water treatment a profitable business for the poor.¹⁸⁶ At the time when this thesis was written, Tinkisso's chlorine production team was composed of one WATA coordinator and two production assistants.



Illustration 9: Tinkisso's local chlorine production site in Dabola¹⁸⁵

Treating water with active chlorine is a widely approved method for effective and cost-efficient water disinfection to improve the microbiological quality of drinking water.¹⁸⁷ POU treatment is highly important since drinking water often gets polluted during its transportation from the water source as well as during its storage at household level. One liter of the active chlorine solution produced by the WATA device is enough to purify 4000 liters of drinking water.¹⁸⁸ The consumption of contaminated water, alongside inadequate hygiene, is the main cause for diarrheal diseases (e.g. cholera and dysentery) which kill over 1.5 million children in developing countries, making it the third most frequent cause of death among low-income

¹⁸³ Direction National de la Statistique de Guinée (1996). *Répartition de la population par Région, Préfecture et sexe*. Found online on 27.01.2010 at URL : <http://www.stat-guinee.org/>

¹⁸⁴ For more information on the functioning of WATA devices, see ATG's website:

http://www.antenna.ch/en/drinking_water/wata-products.html

¹⁸⁵ Photo taken by the author on October 4, 2009 in Dabola, Guinea.

¹⁸⁶ For more information, see ATG's webpage: http://www.antenna.ch/en/drinking_water/watasol_en.html

¹⁸⁷ Arnold, B. F & Colford Jr., J. M. (2007). Treating Water with Chlorine at Point-of-Use to Improve Water Quality and to Reduce Child Diarrhea in Developing Countries. A Systematic Review and Meta-Analysis [Electronic version]. *The American Journal for Tropical Medicine*, 76 (2), pp. 354-364. See also: WHO (2008). *Water Quality Interventions to prevent Diarrhoea*. Found online on 15.12.2009 at URL:

http://www.who.int/water_sanitation_health/economic/prevent_diarrhoea.pdf

¹⁸⁸ ATG (n.D.). *WATA production of active chlorine*. Found online on 21.01.2010 at URL: http://www.antenna.ch/en/drinking_water/wata-description.html

people according to the WHO.¹⁸⁹ In Guinea, diarrheal diseases account for 17 percent of the total deaths among children under 5.¹⁹⁰

In July 2008, Tinkisso entered into an agreement with the United Nations Children's Fund (UNICEF) Guinea. The main objective of Tinkisso's and UNICEF's liaison was to promote hygiene education and POU water treatment as integral parts in the fight against diarrheal diseases. About 60'000 bottles of the active chlorine solution manufactured by Tinkisso and labeled "Wata Eau" were distributed free of charge among 126'000 households in the region within the scope of the project. The distribution was subsidized by UNICEF.¹⁹¹

At the same time, "Wata Eau" was sold through a network of 16 water-kiosks in the urban and rural zone of Dabola at a price of 5000 Franc Guinéen (GNF, about one Euro) for one liter of active chlorine solution. In doing so, the groundwork for a future profitable business through the marketing of safe water ought to be laid.¹⁹² The result was a superposition of two different distribution systems: On the one hand the conventional charity approach promoting the donation of the product, and on the other hand the market-based approach requiring consumers to pay for the product. Although established as an NGO, Tinkisso aims at functioning as a micro-enterprise that would be financially independent from external funding in the long term. In this respect, the cooperation with UNICEF was perceived as an upstream phase aiming at creating awareness and necessity for the product prior to the start of the actual commercial activities.

The agreement between Tinkisso and UNICEF expired in December 2009. The challenge Tinkisso now faces is to guarantee the continuation of its activities without external funding through self-generated revenues by marketing "Wata Eau" as a profitable business. Whether the organization will be able to reach this goal not only depends on its ability to successfully plan and implement a social marketing campaign for improving the quality, affordability, and accessibility of its product, but also on the future development of the socio-political context in which Tinkisso operates, as we will see in chapter 3.3 *Why context matters: Guinea's political instability as a challenge for successful business promotion within the BOP*.

But next, let's turn our attention first to the 4Ps of marketing safe water in Dabola.

¹⁸⁹ WHO (2009, August). Diarrhoeal diseases. *Fact Sheet*, Nr. 330. Found online on 20.01.2010 at URL: <http://www.who.int/mediacentre/factsheets/fs330/en/index.html>

¹⁹⁰ WHO (2006). *Mortality Country Fact Sheet 2006*. Found online on 20.01.2010 at URL: http://www.who.int/whosis/mort/profiles/mort_afro_gin_guinea.pdf

¹⁹¹ A. Camara (personal communication, September 30, 2009). A. Camara is the coordinator of the WATA project.

¹⁹² A. Camara (personal communication, September 30, 2009).

3.2.2 The 4Ps of marketing safe water in Dabola

3.2.2.1 Product

In Dabola, especially in rural zones, safe water is not available (aside from the branded water “Coya” sold in retail shops which is not affordable for the poor). Thus, most of the people have no option but to consume contaminated water from local wells. As a consequence, diarrheal diseases are widespread. The locally produced chlorine solution is an effective and cheap method for household water treatment and safe storage (HWTS), which can be employed even in the remote villages of Dabola. The solution is sold in water kiosks or distributed by community agents¹⁹³ in one liter bottles as a branded product called “Wata Eau”. Its use is fairly simple: One cap (10 ml) of the solution has to be added to 20 liters of untroubled water. After 30 minutes, the water is potable. But not only is the solution highly effective in treating drinking water. It can also be used for the treatment of vegetables with high moisture content, or as a cleaning agent in housekeeping.



Illustration 10: Flask of “Wata Eau”¹⁹⁷

In the survey conducted by the author among 21 households in the town of Dabola as well as in its surrounding rural area, 95.2 percent¹⁹⁴ of the polled households indicated their satisfaction with the product by pointing to its positive impact in reducing diarrheal diseases, especially among children.¹⁹⁵

Yet when the surveyed persons were invited to compare “Wata Eau” with a similar product called “Sur’ Eau” promoted by PSI Guinea for POU water treatment (“Sur’ Eau” is a 1.25 percent calcium hypochlorite solution sold in 150 ml flasks through a network of local retailers and pharmacies¹⁹⁶), they expressed reservations, especially about the packaging of “Wata Eau”:

- (1) *Quantity sold.* 66.6 percent of the interviewed people indicated their preference for a smaller bottle size. Especially women, representing 76 percent of the questioned persons, demanded a reduction of the quantity from one liter to 250-500 ml because smaller bottles are easier to transport. Four out of five men, though, were satisfied with the size.

¹⁹³ The distribution system of “Wata Eau” is subject of section 3.2.2.3.

¹⁹⁴ The remaining 4.8 percent represent a single household which could not give any information because it had not received the product.

¹⁹⁵ The impacts are discussed in more detail in chapter 3.2.3.

¹⁹⁶ B. A. Oumar (personal communication, January 27, 2010). B. A. Oumar is the coordinator of the “Sur’ Eau” project at PSI Guinea. A transcript of the interview is presented in the Annex.

¹⁹⁷ Photo taken by the author on October 4, 2009 in Dabola, Guinea.

(2) *Labelling*. 95.2 percent found the label of “Sur’ Eau”, which shows a smiling happy family, more appealing and explanatory. They associated the image with a higher health impact of the product, by the same token as the label “Sur’ Eau”, which means safe water in French.¹⁹⁸

The flacon of “Sur’ Eau” is indeed more suitable for a safe transport and storage (the flasks are of better quality and opaque). Tinkisso is aware of the problem. Nevertheless, despite intense searching, Tinkisso hasn’t found any appropriate furnishers for smaller plastic bottles in Guinea yet.¹⁹⁹

Another problem is the quality of the solution. The residual concentration of “Wata Eau” is currently at 4g/l.²⁰⁰ This figure is slightly below the standard set by the WHO which recommends a residual chlorine concentration of 5g/l for effective water disinfection.²⁰¹ Yet, attaining higher quality standards is not easy given the lack of adequate infrastructure, particularly secured energy provisioning. Electric blackouts are a daily occurrence, and there is usually no electricity during the day. Currently, and there is usually no electricity during the day. Currently, the energy provisioning is mainly secured through a fuel powered 8 kW generator provided by UNICEF. In addition, it has also been difficult to find purged salt,²⁰³ which is needed for attaining higher chlorine concentrations. The quality of the solution is further curtailed by its relatively short shelf life (normally, chlorine starts to lose its effectiveness after a month).



Illustration 11: Flask of „Sur’ Eau“²⁰²

Ultimately, also the quality control of the disinfected water at household level remains insufficient. Providing safe water is not only about selling a safe water product, but also about ensuring its proper usage at household level. The product won’t have any positive impact on the consumer’s health if it is not properly used. Basically, the control is carried out by community agents with the help of “Wata Blue”, a non-toxic reagent developed by ATG²⁰⁴. Yet, there are not enough testers to guarantee proper quality control.²⁰⁵

All in all “Wata Eau” is an effective product for improving the access to safe water for the poor. However, there are still improvements to make, especially regarding its quality (residual

¹⁹⁸ Data collected by the author (field research, September/October 2009).

¹⁹⁹ A. Camara (personal communication, September/October, 2009).

²⁰⁰ A. Camara (personal communication, September/October, 2009).

²⁰¹ WHO (2008). *Guidelines for drinking water quality. Annex 4 Chemical Summary Tablets*. Third Edition. Found online on 22.01.2010 at URL: http://www.who.int/water_sanitation_health/dwq/GDWAN4rev1and2.pdf, p. 9.

²⁰² Illustration received from B. A. Oumar (personal communication, January 27, 2010).

²⁰³ A. Camara (personal communication, September/October, 2009). In line with Ardiel, D. L. (2008). *Rapport Intermédiaire Partenariat Antenna Technologies (ATG) / Association Tinkisso (Dabola. République Guinée)*.

²⁰⁴ For further information, see ATG’s website : http://www.antenna.ch/en/drinking_water/wata-quality.html

²⁰⁵ C. Koulibaly (personal communication, October 1, 2009). Catherine Koulibaly is a community agent working as a volunteer for Tinkisso.

chlorine concentration and stabilization), its packaging and a proper quality control of its usage and storage at household level.

3.2.2.2 Price

For the time being, the product is sold for 5000 GNF (approximately one Euro). The survey conducted amongst households, however, revealed that 85.5 percent (18 out of 21 people) deemed the price too high.²⁰⁶ The chart below gives an overview of the surveyed households' willingness to pay (in percentage):

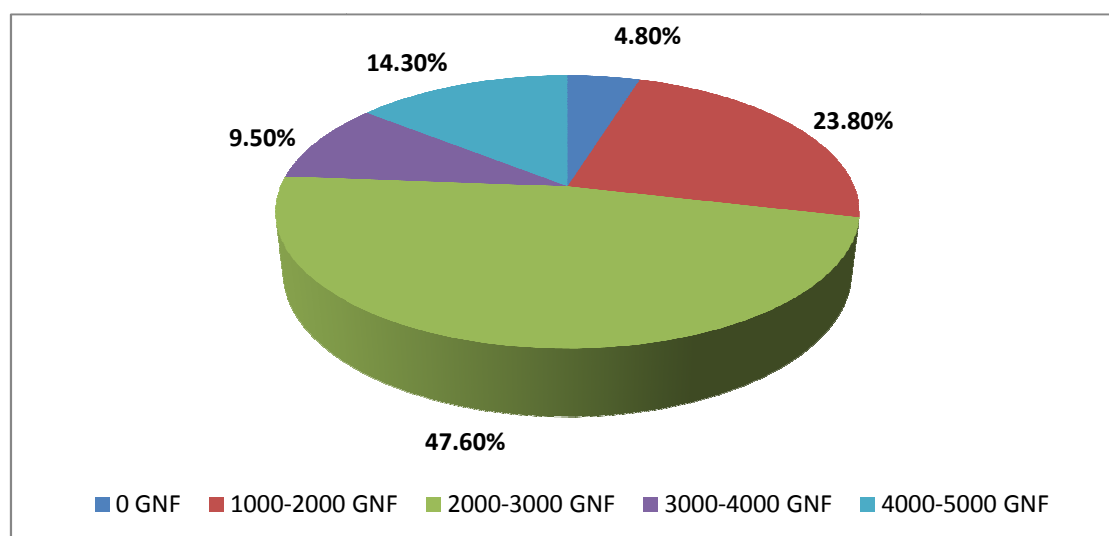


Illustration 12: Willingness to pay for “Wata Eau”²⁰⁷

The chart shows that in total, 95.2 percent of the people are ready to pay for the product. This means that there is a market potential which could be tapped by Tinkisso. Yet, a price reduction has to be considered given the fact that 71.4 percent indicated their preference for a price around 2000 GNF. For comparison: A 150 ml bottle of “Sur’ Eau” is sold for 3000 GNF.²⁰⁸

The question is therefore how to attain such a price reduction without making compromises in quality. A conceivable strategy is to downsize the quantity from one liter to 250-500 ml. As showed in section 3.2.2.1, this was explicitly desired by 66.6 percent of the households polled.²⁰⁹ Even if in absolute terms people would have to spend more for 250 ml (i.e. 2000 GNF instead of 1250 GNF), the product would be more affordable and still cheaper than competitors. Especially, since the problem is not that people are not willing to pay, but rather that they can’t afford to spend 5000 GNF at once given their limited purchasing power. Another strategy could be to introduce a recovery system which would grant a price discount

²⁰⁶ Data collected by the author (field research, September/October 2009).

²⁰⁷ Data collected by the author (field research, September/October 2009).

²⁰⁸ A. B. Oumar (personal communication, January 27, 2010).

²⁰⁹ See section 3.2.2.1.

for every bottle brought back to the point of selling. In doing so, bottles could be recycled, with less waste being produced.

Dabola's population is among the poorest in Guinea. There is no greater industry in the region, the majority lives from agriculture. At first glance, therefore, it may seem unfair or even immoral to let this people pay for "Wata Eau". The right price setting is indeed a highly difficult task. A water, sanitation and hygiene specialist at UNICEF in Mali, for instance, where UNICEF is about to set up similar safe water projects of local chlorine production in cooperation with ATG, during an interview expressed UNICEF's objections against letting people living in absolute poverty pay for the chlorine:

« On ne peut pas demander à une famille qui est très pauvre d'acheter le chlore. Par contre, une démarche possible serait de subventionner les pauvres à travers la vente du chlore à ceux qui disposent de moyens financiers pour le payer (principe de solidarité compensatoire au niveau sociétal). Le problème, c'est la détermination d'un prix juste et abordable pour les pauvres. Donc il faut se poser des questions comme « Quel est le prix juste », « Qui en a le plus besoin », « Qui paie ». »²¹⁰

Notwithstanding, the author of the thesis argues that letting poor people pay is not immoral but an effective strategy to increase the individual responsibility among the poor to make effective and regular use of the product. For testing this hypothesis, the author asked the interviewed persons whether they would prefer the product to be sold to them or given as a handout. A majority of 52.4 percent (11 out of 21 households) reckoned that they prefer the product being sold by confessing that they pay more attention to a product with costs than to giveaways.²¹¹ Gnama Kouyate, a 28-year old mother of five children, was one of them. She reckoned: *« Tu portes plus soin à ce que tu es obligé à payer »*.²¹² There is strong evidence hence – even if further data is needed for verification – that sold products are more appreciated than giveaways. For similar reasons, PSI Guinea is not donating but selling "Sur' Eau" on a commercial basis. Based on years of experience in marketing water disinfection products in over 20 developing countries, PSI believes that the selling approach helps users to recognize the value of a product, assume self-responsibility and reinforce positive behavioral changes.²¹³

To sum up, selling "Wata Eau" promises to be a more sustainable way of improving water quality at household level in the long term. However, given the limited spending capacity of the local population, it remains to be seen whether marketing safe water in Dabola can be a profitable business.²¹⁴

²¹⁰ G. Von Medeazza (personal communication, November 11, 2009). A transcript of the interview is presented in the Annex.

²¹¹ Data collected by the author (field research, September/October 2009).

²¹² G. Kouyate (personal communication, October 1, 2009).

²¹³ B. A. Oumar (personal communication, January 27, 2010).

²¹⁴ The profitability of Tinkisso is subject of section 3.2.4.

3.2.2.3 Place

Tinkisso has been distributing its product “Wata Eau” through the following two supply channels:

- (1) Through a network of 144 community agents working on a voluntary basis;
- (2) And through a system of 16 kiosks located in the urban and rural zones of Dabola.²¹⁵

So far, however, a steady supply has not been secured. Especially kiosks in rural zones are difficult to reach due to disastrous road conditions and a lack of appropriate means of transportation. By the time this thesis was written, all 16 kiosks were forced to shut down because of a cease in delivery after the taxi-brousse used by Tinkisso for transporting the flasks had a break-down and an affordable transportation replacement had not been found yet.²¹⁶



Illustration 13: Closed water kiosk in Konindou²¹⁸



Illustration 14: Road to Konindou²¹⁷

Yet, the lack of means of transportation not only constitutes a major problem for Tinkisso, but also for the community agents. During an interview, Alpha Ouma Fofana, an elderly man and president of the association of the community agents in Dabola, told the author that he is not able to visit many households because it's impossible for him to walk long distances and to transport more than five bottles at the same time. Fofana noted that even a simple bicycle would make a great difference:

*“Passer de porte à porte à pieds, ce n’est pas facile. Les distances entre les villages sont grandes. Ce qui me manque, c’est un moyen de déplacement. Je serais déjà content si j’avais un vélo. J’ai demandé à Tinkisso d’apporter plus de flacons. Mais eux n’ont pas non plus les moyens de se déplacer.”*²¹⁹

²¹⁵ A. Camara (personal communication, September/October, 2010). A. Camara informed the author that the actual number of community agents involved in the distribution might be higher since many agents work without being registered.

²¹⁶ J. Bergamin (personal communication, January 18, 2010).

²¹⁷ Photo taken by the author on October 7, 2009 in Konindou, Guinea.

²¹⁸ Photo taken by the author on October 7, 2009 in Konindou, Guinea.

²¹⁹ A. O. Fofana (personal communication, October 1, 2009). A transcript of the interview is presented in the Annex.

For good or ill, as long as the transportation problem is not solved, the accessibility of the product will be limited. The mobility of the community agents could be improved by providing kiosks with a bicycle which could be shared by a group of community agents. Mobility and transportation capacity is crucial for supplying a higher number of households. Yet, more remote villages – such as Konso are Konindou, both 60 km away from the prefectural town – are beyond the reach of bicycles. These villages can only be reached by a more robust vehicle such as a little van, which Tinkisso can't afford to buy without external funding.

Improved transportation capacity, however, won't suffice for increasing the effectiveness of the supply chain. What is furthermore critical is to provide the intermediaries involved with the right performance incentives. So far, only kiosks have had a share in the sales. Community agents on the other side have been working on a voluntary basis. Yet, if they are supposed to act as sales agents in the future as envisaged by Tinkisso, they also have to be paid a performance-based commission.

3.2.2.4 Promotion

To the author's positive surprise, "Wata Eau" was known to the totality (21 out of 21) of the polled households.²²⁰ Hitherto, the product has mainly been promoted through interpersonal communication: Community agents have been passing from door to door providing hygiene education, explaining the effectiveness of the products in preventing diarrheal diseases and demonstrating its proper use. Sometimes, they have also been using community gatherings for transmitting their messages. Most of the community agents are experienced social workers who have been involved in different social campaigns such as campaigns on vaccination or family planning by the health directorate of Dabola (Direction Préfectorale de la Santé de Dabola, DPS).²²² As socially committed local residents enjoying public trust, they function as intermediaries between the BOP and Tinkisso.

Yet, the survey conducted among households revealed that in 11 out of 21 cases, the information transmitted by the community agents was incomplete.²²³ For instance, 52.4



**Illustration 15: Personal communication
by a community agent²²¹**

²²⁰ Data collected by the author (field research, September/October, 2009).

²²¹ Photo taken by the author on October 1, 2009 in Dabola, Guinea.

²²² A. O. Fofana (personal communication, October 1, 2009). In line with C. Koulibaly (personal communication, October 1, 2009).

²²³ Data collected by the author (field research, September/October, 2009).

percent didn't know that "Wata Eau" can also be used as an effective cleaning disinfectant in housekeeping (for the kitchen, soils, toilets etc.).²²⁴ Moreover, it seems like that some community agents are paying more attention to people they know such as family members and friends by leaving other people out. And, as agents work on a voluntary basis and as there is no supervision system in place, accountability and discipline is difficult to enforce.

Tinkisso has further been promoting "Wata Eau" in the local market through the use of megaphones.²²⁵ The local market traditionally attracts a large number of people – from both the urban and the rural zones of Dabola – who come together to offer and exchange their products. The promotion through megaphones has the advantage of being cost-efficient and reaching a larger audience.

Yet, the communication channel with the largest coverage is the local radio "Bissikrima". The Guinean society is a society with a strong tradition of oral communication. People listen to radio "Bissikrima" every day. Being aware of its effectiveness, Tinkisso already paid for the broadcasting of transmissions in the form of panel discussions ("tables rondes") in which staff members discussed the importance of water treatment at household level.²²⁶ But this kind of promotion is costly: A single transmission costs around 240'000 GNF (approximately 34 Euros).²²⁷ For this reason, radio promotion has been marginal so far.

The free of charge distribution made possible by UNICEF's subsidy helped much in popularizing "Wata Eau" at the BOP. Nevertheless, as pointed out in chapter 2.3.2.5, information and communication needs to be reinforced so as not to lose its effectiveness. For this reason, Tinkisso has to continue with its social marketing promotion campaign. Yet, information will only reach maximum penetration if it's transmitted through the appropriate communication channels. The results of the survey at household level give an indication on which communication channels Tinkisso has to focus on:²²⁸

²²⁴ Data collected by the author (field research, September/October, 2009).

²²⁵ A. Camara (personal communication, September/October 2009).

²²⁶ A. Camara (personal communication, October 5, 2009).

²²⁷ A. Camara (personal communication, October 5, 2009). The price indications are taken from an internal social marketing budget sheet of Tinkisso.

²²⁸ Data collected by the author (field research, September/October 2009).

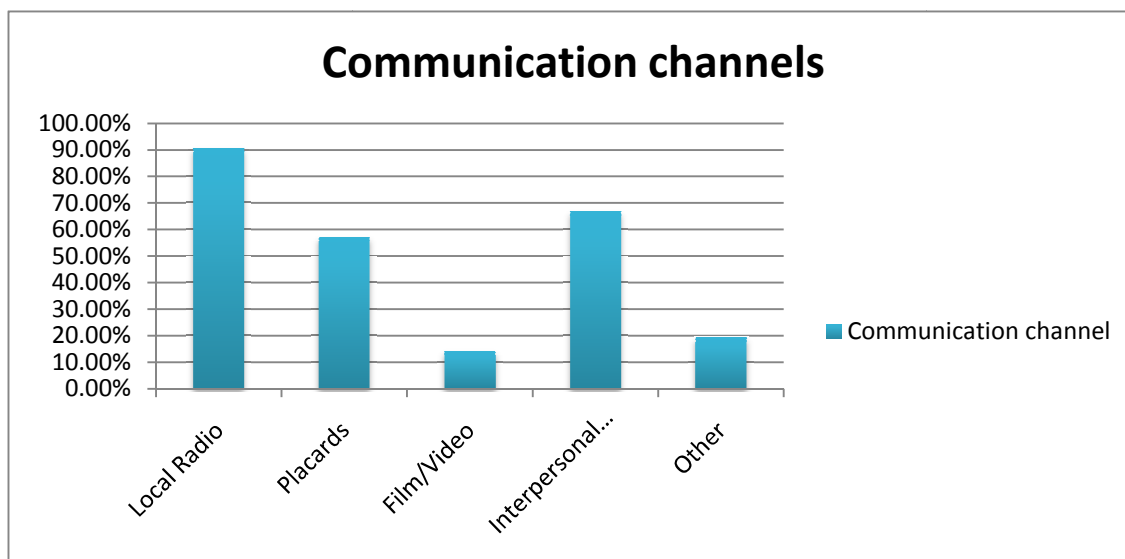


Illustration 16: Communication channel preferences (in %)²²⁹

The chart reveals an extremely high demand for promotion through the local radio “Bissikrima”. Over 90 percent of the polled persons found the local radio a highly effective communication media because audio messages are easier to understand, especially for illiterate people. Posters were the second most wanted mass communication media with 57.1 percent. Video or film got an approval of 14.3 percent. The group “other” contains promotion through school teaching (4.8 percent), village gatherings (4.8 percent), brochures (4.8 percent) and megaphone (4.8 percent). What seems to matter hence is the use of audio and/or visual media, preferably with as little written text as possible given the large number of illiterate people particularly in rural areas. Besides mass communication, there is also a high preference for interpersonal communication: 66.7 percent indicated that Tinkisso should continue to promote “Wata Eau” through its network of community agents. People particularly appreciated the agent’s ability to give live product demonstrations and to respond directly to individual questions.

Thus, by looking at the result of the survey, Tinkisso is advised to intensify its communication through the local radio “Bissikrima”. Tinkisso could advertise with the help of brief spots, for example announced by a medic who would draw attention to the dangers of contaminated water consumption and the importance of water treatment at the household level. Furthermore, posters need to be set up, ideally at highly frequented places such as the market or worship places (mosques, churches etc.), schools, the local hospital and health centers. Particularly the latter need to be more involved in Tinkisso’s promotion and sensitizing activities. The local hospital and health centers are those places where people go when they suffer from diseases. Naturally, people are more receptive to health information when they are directly concerned. This observation was stressed by the water, sanitation and health specialist at UNICEF in Mali:

²²⁹ Data collected by the author (field research, September/October 2009).

“[...] le moment où une personne est la plus réceptive, c’est lorsqu’elle vient au centre à cause d’une maladie, lorsqu’elle souffre d’un problème de santé. Donc au moment où l’infirmière traite le patient, elle lui explique les raisons de sa maladie et lui donne, ainsi qu’à sa famille des conseils pour éviter les maladies hydriques en traitant l’eau à domicile. Ainsi, l’implication des centres de santé dans le travail de sensibilisation et d’information est très importante.”²³⁰

Health personnel are more specialized in health issues than community agents. As specialists, they often enjoy higher credibility and persuasiveness. For instance, during a visit of a health centre in Konso – a village 60 km outside of Dabola’s urban centre – Korouma Soua, the centre’s director, told the author how he recommends “Wata Eau” to his patients as an effective product for preventing diarrheal diseases, with the result that the product is being bought at the nearby kiosk.²³¹ Community agents on the other hand have the advantage of being more mobile, which allows them to have a greater proximity to people. For improving their effectiveness and assuring the quality of their work, though, their formation needs to be improved and a surveillance system needs to be put in place.

All in all, even if considerable promotion work has already been accomplished by Tinkisso, further information and persuasion activities are necessary in order to reinforce positive hygiene and water consumption customs of the local population. A behavioral change is a process, it doesn’t happen overnight. The key is to keep the communication flowing by paying particular attention to the needs and interests of women since they represent the largest consumer segment²³². The considerable cost factor of social marketing promotion, however, makes it difficult for Tinkisso to initiate large campaigns without external funding.

3.2.3 Impact

It was argued in the first part of the thesis that one of the main reasons why many traditional development projects have failed to lead to sustainable outcomes is because they were not adapted to the real needs of the poor (remember the example of the dam in Kati, Mali). What about the impact of Tinkisso’s intervention in Dabola? 95.2 percent of the polled households quoted that they noticed a positive impact on their own and their family’s health, namely on diarrheal incidences, since they started to disinfect their drinking water with “Wata Eau”.²³³

²³⁰ G. Von Medeazza (personal communication, November 11, 2009).

²³¹ K. Soua (personal communication, October 2, 2009).

²³² Data collected by the author (field research, September/October 2009). “Wata Eau” is to a large extent bought by women given their leading role in housekeeping.

²³³ Data collected by the author (field research, September/October 2009).

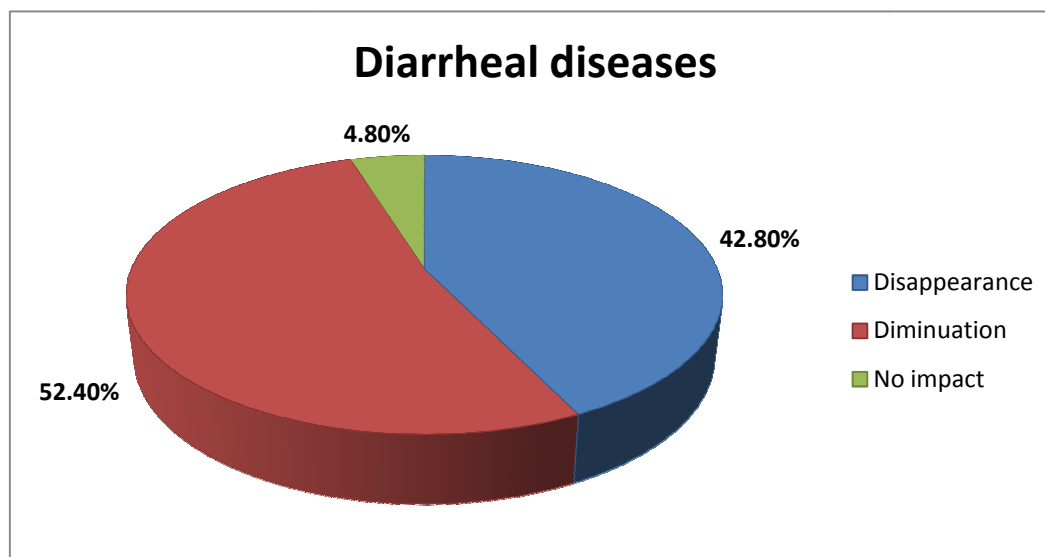


Illustration 17: Impact of chlorinated water consumption on diarrheal diseases²³⁴

52.4 percent of the households have observed a significant drop in diarrheal diseases due to the consumption of water previously treated with the active chlorine solution. One woman, for example, told the author that beforehand, her children used to have diarrhea at least three times per week. Yet, since she started to disinfect her drinking water with “Wata Eau”, her children have become only sporadically diseased. Moreover, 42.8 percent even indicated that diarrheal diseases have disappeared completely in their households.²³⁵

It should be noted though that due to the confined number of households covered by the survey, the degree to which these results can be generalized is limited. Additional data needs to be collected for further verification. The gathered data, however, correlates with statistical data collected by the DPS of Dabola. According to these statistics, death cases of children caused by diarrheal diseases dropped from 309 in July 2008 to 194 in June 2009.²³⁶

In light of these facts, there is strong reason to believe that there is a positive correlation between the consumption of water previously treated with the active chlorine solution of “Wata Eau” and the susceptibility to diarrheal diseases.

3.2.4 Profitability

The long-term goal of Tinkisso is to function as a financially autonomous micro-enterprise rather than as a NGO. In order to reach this goal, the organization has to market “Wata Eau” as a profitable business. An important step towards profitability is the introduction of a sound accounting system. Tinkisso has been regularly keeping account of its expenses and revenues since August 2008. According to its balance-sheet, on average, the project was losing 501.40 €/month from August 2008 to January 2009. From February to September 2009,

²³⁴ Data collected by the author (field research, September/October 2009).

²³⁵ Data collected by the author (field research, September/October 2009).

²³⁶ Health directorate of Dabola (2008/2009). *Tableau récapitulatif des cas de morbidité en 2008 et durant les six premiers mois de l'année 2009.*

though, the project yielded an average gain of 426.56 €/month. These positive results have to a large extent been achieved due to an increase in sales, probably encouraged by promotion activities in the scope of the UNICEF engagement. For instance, while in August 2008 revenues amounted to 660.60 €, in September they already had risen to 4540.80 €, representing a remarkable increase of 587.4 percent.²³⁷

At first glance, this result seems to be highly promising. Yet, as the graph below makes clear, profits fluctuate widely between the different months.

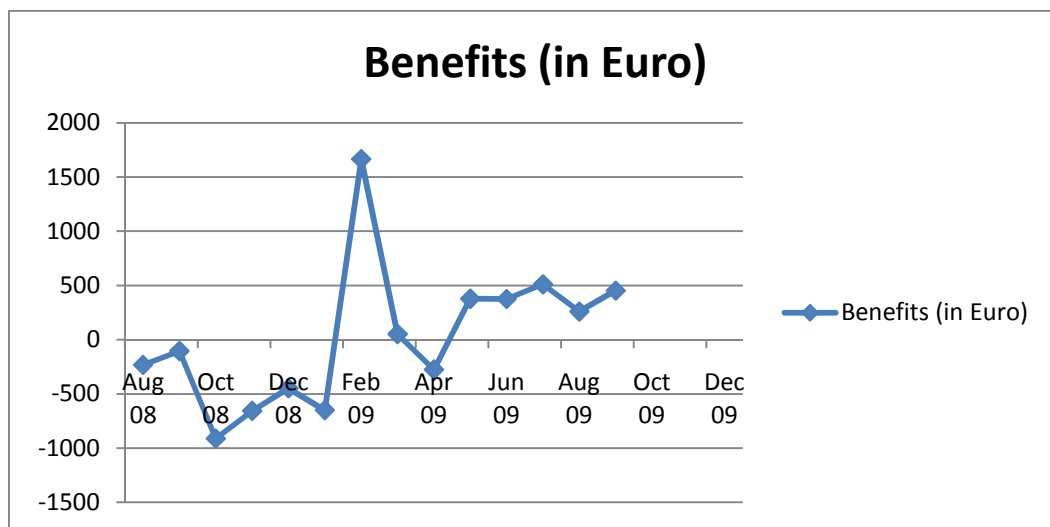


Illustration 18: Profitability of Tinkisso Aug 08 – Sept 09²³⁸

For example, while earnings reached their peak in February 2009, in April they slumped down, resulting in a loss of 276.40 €.²³⁹

Where do these fluctuations stem from? On the one hand, Tinkisso's profitability is negatively affected by the dependency of its operations from fuel. Fuel is indeed a major expense factor, for which the organization has disbursed 529 €/month on average, accounting for more than 90 percent of the total production expenditure.²⁴⁰ Given the insufficient public electricity provisioning, the main source of energy is a generator which is highly fuel consuming. Fuel is also needed for transporting the "Wata Eau" flasks to the different points of sale and distribution, especially to those located in more remote areas. On the other hand, revenues are seasonal. By looking at the profit curve, one observes a phase of negative earnings in the dry seasons which lasts from November to February, since diarrheal diseases are less frequent in this period of the year.

²³⁷ Tinkisso (2008/2009). *Bilan mensuel – production et vente de chlore*.

²³⁸ Chart derived from Tinkisso's internal balance-sheet from August 2008 - September 2009.

²³⁹ Tinkisso (2008/2009). *Bilan mensuel – production et vente de chlore*.

²⁴⁰ Tinkisso (2008/2009). *Bilan mensuel – production et vente de chlore*. On average, 400 € were spent on salaries for Tinkisso's personnel and 60 € for salt

So far, Tinkisso has received considerable external funding for its activities. UNICEF for instance supported the organization with 457'487'750 GNF (approximately 66'974.80 €) within its one and a half year agreement.²⁴¹ Akin, ATG donated 64'320 € in a time frame of three years.²⁴² These investments were inter alia used for the set up and equipment of the local production site (e.g. UNICEF financed the purchase of one Maxi WATA and the generator), the formation of community agents, the set up of a kiosk system, the remuneration of Tinkisso's staff, and for launching a first marketing promotion campaign for "Wata Eau" which aimed at creating a demand for the product.²⁴³ The investments can be considered as start-up financing which is crucial for market creation and pro-poor enterprise promotion within the BOP, as we argued previously. However, if Tinkisso aims at functioning without donor funding in the future, it needs to serve the poor in a more profitable way.

3.3 Why context matters: Guinea's political instability as a challenge for successful business promotion within the BOP

The multiple problems Tinkisso is facing at the operational level, e.g. the lack of adequate transportation means for successfully disseminating its product in the absence of proper roads, or its dependency from expensive energy because of the poor public electricity provision were addressed earlier.

The lack of infrastructure is the result of poor state performance, and Guinea is a striking example of a particularly badly performing state. It is an example of a state where mass killings occur in broad daylight during a peaceful protest rally, and where political power is not assumed through legitimate elections, but through coup d'états.

The real challenge for successful market creation and pro-poor enterprise promotion within the BOP is therefore Guinea's socio-political instability. In a context marked by violence, political pressure, ineffective governance and the lack of the rule of law, the promotion of business is extremely difficult. In the first and second parts of the thesis we explained that for a market and private sector to flourish, there must be a minimum of political stability. Unfortunately, this is not given in Guinea. On the contrary: There is a persistent insecurity factor, which makes long-term planning difficult. A deterioration of the security situation in the wake of a destabilization of the government has to be expected at any time. The fear of conflict negatively affects the mindsets of the people and keeps them from concentrating themselves on their businesses. This is what happened after the atrocities in September, when the presidential guard massacred 156 people in the stadium of Conakry. From that time on,

²⁴¹ Tinkisso & UNICEF (2008). *Accord de Coopération de Projet (ACP). Accord de Coopération dans le Cadre de Projet Entre le Fonds des Nations Unies pour l'Enfance, UNICEF et l'Association Tinkisso.*

²⁴² J. Bergamin (personal communication, February 11, 2010). It should be noted, though, that the amount of 64'320 € also includes funding for nutrition programmes. The money was disbursed from 2007-2009.

²⁴³ Tinkisso & UNICEF (2008). *Accord de Coopération de Projet (ACP). Accord de Coopération dans le Cadre de Projet Entre le Fonds des Nations Unies pour l'Enfance, UNICEF et l'Association Tinkisso.* Further: J. Bergamin (personal communication, February 11, 2010).

daily working lives in Dabola were dominated by following what was happening in Conakry, by the fear that tensions could spread to Dabola and other cities in Guinea, and even worse, by the fear of a potential civil war.

Even if Dadis Camara was to be convicted by the ICC, and a civil government installed, there is strong evidence that the struggle for power will continue. The junta regime has committed too many wrongdoings for it to slacken the reins of power. It knows exactly that if it were to do so, it would risk being trialed for its torts. Therefore, in the short and medium term, a stabilization of the political situation seems unlikely. Political stability does not arise over night. It is the result of a time-consuming process which depends on effective governance and a domestically driven movement for democratic change and reform which cannot be imposed from the outside. In the past, however, Guinea's political leaders have neither respected the rule of law nor shared their power with their people. Yet, this would be necessary for creating a balance of power and an atmosphere of trust, both preconditions for the emergence of sustainable economic activities and a viable private sector.

Ultimately, the difficult working conditions prompt talented working force to look for more secured employment opportunities, first and foremost in the foreign aid industry. As a consequence, many market creation and business promotion projects lack appropriate leadership with entrepreneurial flair which would be necessary to lead these projects to success. This risk is also given in the case of Tinkisso. The organization is highly dependent on its coordinator, Aboubacar Camara, who is organizing the greatest part of Tinkisso's activities, managing its relations to donors and doing its bookkeeping. Thus if one day Camara decides to leave, there is strong reason to believe that the project's continuity will be difficult to assure. Yet, without improvement, this scenario, sooner or later, is very likely to happen.

In retrospect, the example of marketing safe water in Dabola has revealed the limits of the market-based to development approach. It has shown that entrepreneurial initiative isn't always enough for making pro-poor businesses work. In fact, in highly volatile states such as Guinea the success of market creation and pro-poor business promotion endeavors is put at a great risk by external constraints, above all the lack of political stability.

4. Conclusion

By focusing on Sub-Saharan Africa, this thesis aimed at presenting the market-based approach as an alternative development strategy to conventional development approaches, and at revealing its limits through the case study of marketing safe water to the BOP based on a field research conducted by the author in Dabola, Guinea, in fall 2009.

The analysis of traditional aid delivery to Africa showed that hitherto priority was given to the quantity (volume disbursed) rather than to the quality (results achieved) of aid. The traditional aid system lacks bottom-up feedback from the poor and accountability vis-à-vis them. Instead of going into the field and learning about the real needs and aspiration of the poor, most development plans are made in offices in Western centers such as New York, London or Paris, out of touch with the African reality, and hence doomed to fail from the beginning. Moreover, attention was drawn on the negative effects of too much aid on the recipient country's governance quality, making the country more prone to political instability, which was defined as the probability of a change of government, by legal or illegal means.

Against this backdrop, approaching development from a market-oriented business perspective promises to be a more effective way of sustained poverty alleviation. The application of business practices to the realm of development implies that poor people are no longer considered as passive, pitiful aid recipients, but as active consumers and customers demanding quality services and products tailored to their real needs. As customers, poor people obtain visibility and voice. The survey carried out at household level in Dabola showed that people appreciate things more when they have paid for them instead of having been given them. The same was told the author by development experts working for PSI, one of the world's leading NGOs in successfully marketing safe water and other health products to the BOP in developing countries, in Mali and Guinea. Thus, there is strong reason to believe that the selling approach not only increases the accountability of development service providers towards the poor, but also encourages the assumption of self-responsibility among the poor in making more careful and regular use of products and services designed for improving their quality of life. Approaching development from a business perspective furthermore implicates that poor people are regarded as smart entrepreneurs and producers who use the market as a searching and listening device for designing need-based products and services. The Grameen Bank in Bangladesh, the Blue Bakery in Rwanda, or A to Z Textile Mills Ltd. in Tanzania are examples of pro-poor enterprises which profitably serve the BOP. Pro-poor business promotion gives the poor the opportunity to create their own wealth and thus to break out of their vicious cycle of poverty and aid dependency. In this respect, development actors are encouraged not to act like charitable organizations, but rather as facilitators and investors for making pro-poor businesses work, for example through providing start-up funding to local entrepreneurs and micro-enterprises, facilitating technology transfer, or encouraging public-private partnerships.

Yet, the case study of marketing safe water to the BOP in Dabola, Guinea, also revealed some substantial limits to poverty alleviation through business promotion. Tinkisso for instance has difficulties in disseminating “Wata Eau” because it lacks an adequate means of transportation which would be necessary for guaranteeing safe transport on the disastrous roads, and reaching more remote villages in the rural zones of Dabola. Since the profit margin on individual units in BOP markets is naturally low, profit is reached through high volumes. Without a mean of transportation, however, the organization is unable to tap the full market potential. Profit-making is furthermore affected by the limited spending capacity at the BOP, which requires considerable price cuts. An additional constraint is the poor public electricity supply, which forces Tinkisso to procure its energy mainly from a fuel-consuming generator. Yet, fuel is very costly, and its availability, particularly in times of political turmoil, not always secured (which was, for instance, the case in the wake of the political crisis in September 2009). The organization furthermore has problems in assuring quality standards regarding the quality of its product as well as its proper use at household level, which is an integral part of the service quality. Ultimately, Tinkisso also lacks the financial means for an effective product promotion and social sensitizing campaign aiming at reinforcing positive behavioral change regarding water treatment at household level and the respect of hygiene. But the greatest challenge to successful business promotion is Guinea’s political instability. Since its independence in the late 1950s, the country has been caught in a bad governance trap. Power has traditionally been seized in coups d’état. Political and military leaders have enriched themselves by looting public funds, whereas the bulk of the people have been kept in deepest poverty. Yet, in an environment marked by oppression, ineffective governance and the lack of rule of law, private sector development is very unlikely to occur. For business to flourish there needs to be a minimum of trust in the future. In Guinea, however, a deterioration of the security situation due to political turmoil has to be expected at any time. And Guinea is no exception in Sub-Saharan Africa in this respect.

I would like to finish by an excerpt from William Duggan’s *The Art of What Works*, which I already quoted in the introduction of the thesis: “*Even if you do everything right, you still may fail.*”²⁴⁴ I went to Africa in order to search for effective ways of poverty alleviation. In Dabola, a small, remote town in Central Guinea. I encountered highly motivated local people committed on helping those extremely poor leaving at the BOP in getting drinking water, which I consider as a human right. Yet, everything turned out differently. On September 28, 2009, 156 peacefully protesting people were massacred by the Guinean Junta in Conakry. From that day on, the security situation deteriorated dramatically, leaving me no choice but to leave the country. We had so many projects with Tinkisso, but our work was suddenly ended by external constraints. We did everything right, but still failed. I fear that as long as Guinea can’t break out of its bad governance trap, there is little hope for substantial change in the future. Yet, despite my experiences made in Guinea, I still consider the market-

²⁴⁴ Duggan, W. (2003). *The Art of What Works. How Success Really Happens*. New York: McGraw-Hill, p. 80.

based approach, in comparison to conventional development approaches, as a more effective strategy of poverty alleviation since it gives those living at the BOP the chance and opportunity to participate actively in the quest for better livelihoods.

References

Books

- Atteslander, P. (2000). *Methoden der empirischen Sozialforschung*. Berlin, New York: Walter de Gruyter.
- Collier, P. (2007). *The Bottom Billion. Why the poorest countries are failing and what can be done about it*. Oxford: Oxford University Press.
- Dollar, D. et al. (1998). *Assessing Aid. What Works, What Doesn't, and Why* [Electronic version]. Washington: The World Bank Publication.
- Dollar, D., Devarajan, Sh. & Holmgren, T. (2001). *Aid and Reform in Africa. Lessons from Ten Case Studies* [Electronic version]. Washington: The World Bank Publication.
- Duggan, W. (2003). *The Art of What Works. How Success Really Happens*. New York: McGraw-Hill.
- Heierli, U & Polak, P. (2000). *Poverty Alleviation as a Business. The Market Creation Approach to Development* [Electronic version]. Bern: SDC Publication.
- Heierli, U. (2008). *Why is it so hard to get safe water to the poor – and so profitable to sell it to the rich* [Electronic version]. Bern: SDC Publication.
- Easterly, W. (2006). *The White Man's Burden. Why the west's efforts to aid the rest have done so much ill and so little good*. Oxford: Oxford University Press.
- Easterly, W. (2008). Introduction: Can't take it anymore? In W. Easterly (Ed.), *Reinventing foreign aid* (pp. 1-45). Cambridge, London: MIT Press.
- Hoffman, K. (2008). Placing Enterprise and Business Thinking at the Heart of the War on Poverty (pp. 485-503). In W. Easterly (Ed). *Reinventing foreign aid*. Cambridge, London: MIT Press.
- Kotler, P. & Roberto, E. (1989). *Social Marketing*. Düsseldorf, Wien, New York: ECON Verlag.
- Michailof, S. (2009). *L'aide publique au développement face aux défis du XXIème siècle. De la reconstruction des États faillis à la lutte contre le réchauffement climatique*. Paris: Sciences Po.
- Moyo, D. (2009). *Dead Aid: Why Aid is Not Working and How There is Another Way for Africa*. London: Allen Lane, Penguin Books.
- Novogratz, J. (2009). *The Blue Sweater. Bridging the Gap between Rich and Poor in an Interconnected World*. New York: Rodale.
- Polak, P. (2008). *Out of Poverty. What works when traditional approaches fail*. San Francisco: Berret-Koehler Publishers, Inc..
- Prahalad (2005). *The Fortune at the Bottom of the Pyramid*. New Jersey: Warton School Publishing.

- Sachs, J. (2005). *The End of Poverty. How we can make it happen in our lifetime*. New York: Penguin Books.
- Svensson, J. (2008). Absorption Capacity and Disbursement Constraints. In W. Easterly (Ed.), *Reinventing foreign aid* (pp. 311-333). Cambridge, London: MIT Press.
- Tomczak, T. & Kuss, A. (2004). *Marketingplanung. Einführung in die marktorientierte Unternehmens- und Geschäftsfeldplanung*. Wiesbaden: Gabler.

Newspapers & Journals

- Arnold, B. F. & Colford Jr., J. M. (2007). Treating Water with Chlorine at Point-of-Use to Improve Water Quality and to Reduce Child Diarrhea in Developing Countries. A Systematic Review and Meta-Analysis [Electronic version]. *The American Journal for Tropical Medicine*, 76 (2), pp. 354-364.
- Bell, S. (1966). The Quality of Aid [Electronic version]. *Foreign Affairs*, Vol. 44, No. 4, pp. 601-607.
- Bräutigam, D. A. & Knack, St. (2004). Foreign Aid, Institutions, and Governance in Sub-Saharan Africa [Electronic version]. *Economic Development and Cultural Change*, 52 (2), pp. 255-285.
- Collier, P. & Gunning, J. W. (1995). War, peace and private portfolios [Electronic version]. *World Development*, Vol. 23, No. 23, pp. 233-241.
- Friedman, M. (1958). Foreign Economic Aid: Means and Objectives [Electronic version]. *Yale Review*, Vol. 47, No. 4, pp. 500-516.
- Kaldor, N. (1963). Will Underdeveloped Countries Learn to Tax [Electronic version]? *Foreign Affairs*, Vol. 41, No. 2, pp. 410-419.
- Kotler, P. & Zaltman, G. (1971). Social Marketing: An Approach to Planned Social Change [Electronic version]. *Journal of Marketing*, Vol. 35, No. 3, pp. 3-12.
- Meisel, N. & Ould Aoudia, J. (2008). Is “Good Governance” a Good Development Strategy? *Agence Française de Développement Working Paper*, No. 58, pp. 1-80.
- Prahalad, C. K. & Hammond, A. (2002). Serving the World’s Poor, Profitability [Electronic version]. *Harvard Business Review*, pp. 48-57.
- Prahalad, C. K. & Hammond, A. (2004). Selling to the Poor [Electronic version]. *Foreign Policy*, No. 142, pp. 30-37.

Online references

- Alesina, A., Özler, S., Roubini, N. & Swagel, Ph. (1992). Political instability and economic growth. *NBER Working Paper*, No. 4173. Found online on 30.01.2010 at URL: http://www.nber.org/papers/w4173.pdf?new_window=1

- American Marketing Association [AMA] (2000). *Definition of Marketing*. Found online on 13.01.2010 at URL: <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>
- Antenna Technologies [ATG] (n.D.). *Wata production of active chlorine*. Found online on 21.01.2010 at URL: http://www.antenna.ch/en/drinking_water/wata-description.html
- ATG (n.D.). *Drinking water*. Found online on 20.01.2010 at URL: http://www.antenna.ch/en/drinking_water/wata-description.html
- Ayodele, T., Cudjoe, F., Nolutshungu, T. A. & Sunwabe, Ch. K. (2005). African Perspectives on Foreign Aid: Why Foreign Assistance Will not Pull Africa Out of Poverty. *Cato Institute Economic Development Bulletin*, No. 2, pp. 1-4. Found online on 08.12.2009 at URL: <http://www.cato.org/pubs/edb/edb2.pdf>
- Bingsten, A. (1998). Can Aid Generate Growth in Africa? *University of Göteborg Working Papers in Economics*, No. 3. Found online on 07.12.2009 at URL: <http://ideas.repec.org/p/hhs/gunwpe/0003.html>
- Boone, P. (2005). Effective intervention: making aid work. *LSE Centre for Economic Performance Working Paper*, No. CEPCP187. Found online on 17.12.2009 at URL: <http://cep.lse.ac.uk/pubs/download/CP187.pdf>
- Châtelot, Ch. (2009, December 16). La Guinée, en plaine confusion, songe à l'après-Dadis. *Le Monde*. Found online on 18.12.2009 at URL: http://www.lemonde.fr/afrique/article/2009/12/16/la-guinee-dans-le-chaos-avec-ou-sans-dadis-camara_1281367_3212.html#ens_id=1246411
- Châtelot, Ch. (2010, January 19). Guinée: Jean-Marie Doré, un opposant nommé premier ministre. *Le Monde*. Found online on 20.01.2010 at URL: http://www.lemonde.fr/afrique/article/2010/01/19/guinee-jean-marie-dore-un-opposant-nomme-premier-ministre_1293718_3212.html#ens_id=1246411
- Central Intelligence Agency [CIA] (2010). *The World Factbook. Guinea*. Found online on 19.01.2010 at URL: <https://www.cia.gov/library/publications/the-world-factbook/geos/gv.html>
- Clemens, M. A., Radelet, St. & Bhavnani, R. (2004). Counting chickens when they hatch: The short-term effect of aid on growth. *Centre for Global Development Working Paper*, No. 44. Found online on 15.12.2007 at URL: <http://www.cgdev.org/content/publications/detail/2744>
- Development Assistance Committee [DAC] (2009). *DAC Glossary of Key Terms and Concepts*. Found online on 06.12.2009 at URL: http://www.oecd.org/document/32/0,3343,en_2649_33721_42632800_1_1_1_1,00.html#ODA
- De Renzio, P. (2005a). Can more aid be spent in Africa? *ODI Opinions*. Found online on 14.12.2009 at URL: <http://www.odi.org.uk/resources/download/489.pdf>
- De Renzio, P. (2005b). Scaling Up versus Absorptive Capacity: Challenges and Opportunities for Reaching the MDGs in Africa. *ODI Briefing Paper*. Found online on 14.12.2009 at URL: <http://www.odi.org.uk/resources/download/1369.pdf>

- Direction National de la Statistique de Guinée (1996). *Répartition de la population par Région, Préfecture et sexe*. Found online on 27.01.2010 at URL: <http://www.stat-guinee.org/>
- Foreign Policy (2009). *The Failed State Index 2009*. Found online on 20.01.2010 at URL: http://www.foreignpolicy.com/articles/2009/06/22/2009_failed_states_index_interactive_map_and_rankings
- Gilles, N. & Yontcheva, B. (2006). Does NGO Aid Go to the Poor? Empirical Evidence from Europe. *IMF Working Paper*, No. 06/39. Found online on 28.01.2010 at URL: <http://www.imf.org/external/pubs/ft/wp/2006/wp0639.pdf>
- Hediger, W. (2007). Framing corporate social responsibility and contribution to sustainable development. *CCRS Working Paper*, No. 02/07. Found online on 13.01.2010 at URL: http://www.ccrs.uzh.ch/images/ccrs-wp0207_Hediger-2.pdf
- International Labor Organization [ILO] (2001). *Business Development Services (BDS) for Small Enterprises: Guiding Principles for Donor Intervention*. Found online on 16.01.2010 at URL: <http://www.ilo.org/public/english/employment/ent/papers/guide.htm>
- Karnani, A. (2006). Mirages at the Bottom of the Pyramid. How the private sector can help alleviate poverty. *William Davidson Working Institute Working Paper*, No. 835. Found online on 06.12.2000 at URL: <http://www.wdi.umich.edu/files/Research%20Initiatives/Bottom%20of%20the%20Pyramid/Mirage%20at%20the%20bottom%20of%20the%20pyramid.pdf>
- Kaufmann, D., Kraay, A. & Mastruzzi, M. (2009). Governance Matters VIII. Aggregate and Individual Governance Indicators 1996-2008. *The World Bank Policy Research Working Paper*, No. 4978. Found online on 20.12.2009 at URL: <http://info.worldbank.org/governance/wgi/index.asp>
- Koch, D. J., Drehler, A., Nunnenkamp, P. & Thiele, R. (2008). Keeping a Low Profile: What Determines the Allocation of Aid by Non-Governmental Organizations? *Kiel Institute for the World Economy Working Papers*, No. 1460. Found online on 28.01.2010 at URL: <http://www.ifw-members.ifw-kiel.de/publications/keeping-a-low-profile-what-determines-the-allocation-of-aid-by-non-governmental-organizations/KWP%201406.pdf>
- Kraay, A. & Raddatz, C. (2005). Poverty Traps, Aid and Growth. *World Bank Policy Research Working Paper*, No. 3631. Found online on 17.12.2009 at URL: http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2005/06/15/000016406_20050615143926/Rendered/PDF/wps3631.pdf
- MacFarquhar, N. (2009, December 21). U.N. Panel Calls for Court in Guinea Massacre. *The New York Times*. Found online on 23.12.2009 at URL: http://www.nytimes.com/2009/12/22/world/africa/22guinea.html?_r=1&scp=5&sq=Guinea&st=cse
- Moss, T. Pettersson, G. & Van der Walle, N. (2006). An Aid-Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa. *Centre for Global Development Working Paper*, No. 74. Found online on 24.12.2009 at URL: <http://www.cgdev.org/content/publications/detail/5646>

- Rajan, R. G & Subramanian, A. (2005). *Aid and Growth: What Does the Cross-Country Evidence Really Show?* *IMF Working Paper*, No. 05/127. Found online on 16.12.2009 at URL: <http://imf.org/external/pubs/ft/wp/2005/wp05127.pdf>.
- Shell Foundation (2010). *Business DNA*. Found online on http://www.shellfoundation.org/pages/core_lines.php?p=our_approach_content&page=businessdna
- The Acumen Fund (2010). *What is Patient Capital? A New Approach to Tackling Poverty*. Found online on 18.01.2010 at URL: <http://www.acumenfund.org/about-us/what-is-patient-capital.html>
- The Acumen Fund (2010). *Using Patient Capital to Build Transformative Businesses*. Found online on 16.01.2010 at URL: <http://www.acumenfund.org/about-us/about-us.html>
- The Acumen Fund (2010). *A to Z Textile Mills. Long-lasting Anti-Malaria Bednets*. Found online on 15.01.2010 at URL: <http://www.acumenfund.org/investment/a-to-z-textile-mills.html>
- The Fund for Peace (2009). *Guinea*. Found online on 20.01.2010 at URL: http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=384&Itemid=541
- The Grameen Bank (2010). *Is Grameen Bank Different from Other Conventional Banks?* Found online on 10.12.2010 at URL: http://www.grameen-info.org/index.php?option=com_content&task=view&id=16&Itemid=112
- The Grameen Bank (2010). *Key Information of Grameen Bank 2008*. Found online on 10.02.2010 at URL: http://www.grameen-info.org/index.php?option=com_content&task=view&id=37&Itemid=426
- The Hudson Institute (2006). *The Index of Global Philanthropy 2009*. Found online on 4.12.2010 at URL: <http://gpr.hudson.org/files/publications/GlobalPhilanthropy.pdf>
- The Schwab Foundation (n.D.). *What is a Social Entrepreneur?* Found online on 11.10.2010 at URL: <http://www.schwabfound.org/sf/SocialEntrepreneurs/Whatisasocialentrepreneur/index.htm>
- The White African (n.D.) *2007 African Mobile Phone Statistics*. Found online on 10.01.2010 at URL: <http://whiteafrican.com/2008/08/01/2007-african-mobile-phone-statistics/>
- The World Bank Group (2004). *Millennium Development Goals. Sub-Saharan Africa*. Found online on 25.12.2009 at URL: <http://ddp-ext.worldbank.org/ext/GMIS/gdmis.do?siteId=2&menuId=LNAV01REGSUB6>
- The World Bank Group (2005). *Rogues No More? Water Kiosks Operators Achieve Credibility in Kibera*. Found online on 16.01.2010 at URL: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2005/07/22/000011823_20050722175330/Rendered/PDF/330630PAPER0Rogues120No120More10Kibera.pdf

- The World Bank Group (2005). *World Bank Development Indicators 2008. Poverty Data. A supplement to World Bank Development Indicators 2008*. Found online on 09.01.2010 at URL: <http://siteresources.worldbank.org/DATASTATISTICS/Resources/WDI08supplement1216.pdf>
- The World Bank Group (2009). *Quick Query. World Bank Development Indicators*. Available online at URL: <http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=135>
- United Nations [UN] (n.D.). *Millennium Development Goals*. Found online on 21.12.2010 at URL: <http://www.un.org/millenniumgoals/bkgd.shtml>
- UN (2009). *The Millennium Development Goals Report 2009*. Found online on 27.01.2010 at URL: http://mdgs.un.org/unsd/mdg/Resources/Static/Products/Progress2009/MDG_Report_2009_En.pdf
- United Nations Development Programme [UNDP] (2006). *Human Development Report 2006*. Found online on 15.01.2010 at URL: <http://hdr.undp.org/en/media/HDR06-complete.pdf>
- UNDP (2008). *Human Development Indices*. Found online on 10.01.2010 at URL: http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf
- UNDP (2009). *Human Development Report 2009*. Found online on 03.12.2009 at URL: http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf
- United Nations Population Fund [UNPF] (2010). *World Urbanization Prospects: The 2007 Revision Population Database*. Found online on 16.01.2010 at URL: <http://esa.un.org/unup/p2k0data.asp>
- World Health Organization [WHO] (2003). *UNICEF, WHO, and Acumen Fund announce introduction in Africa of new technology to fight malaria*. Found online on 14.01.2010 at URL: <http://www.who.int/mediacentre/news/releases/2003/pr71/en/index.html>
- WHO (2006). *Mortality Country Fact Sheet 2006*. Found online on 20.01.2010 at URL: http://www.who.int/whosis/mort/profiles/mort_afro_gin_guinea.pdf
- WHO (2008). *Guidelines for drinking water quality. Annex 4 Chemical Summary Tablets. Third Edition*. Found online on 22.01.2010 at URL: http://www.who.int/water_sanitation_health/dwq/GDWAN4rev1and2.pdf
- WHO (2009). *Diarrhoeal diseases. Fact Sheet, Nr. 330*. Found online on 20.01.2010 at URL: <http://www.who.int/mediacentre/factsheets/fs330/en/index.html>
- WHO (2010). *Drinking Water, Sanitation, Health and Disease*. Found online on 03.01.2010 at URL: http://www.who.int/water_sanitation_health/mdg1/en/index.html

Unpublished references

Ardiet, D. L. (2008). *Rapport Intermédiaire Partenariat Antenna Technologies (ATG) / Association Tinkisso (Dabola.République Guinée)*. ATG internal report.

Health directorate of Dabola [DPS] (2008/2009). *Tableau récapitulatif des cas de morbidité en 2008 et durant les six premiers mois de l'année 2009*. Unpublished statistical data.

Helvetas Mali (2009). *La transition démocratique en Guinée vue par une équipe de journalistes maliens*. Internal press report.

Tinkisso & UNICEF (2008). *Accord de Coopération de Projet (ACP). Accord de Coopération dans le Cadre de Projet Entre le Fonds des Nations Unies pour l'Enfance, UNICEF et l'Association Tinkisso*.

Tinkisso (2008/2009). *Bilan mensuel – production et vente de chlore*. Internal balance-sheet.

Annex

Annex 1: List of interviewees

Name	Organisation/Institution/Function	Place	Date
Bergamin, Julie	ATG, WATASOL coordinator	E-Mail communication	18/01/2010 11/02/2010
Camara, Aboubacar	Association Tinkisso, WATA coordinator	Dabola	September/October 2009
Faya, Bongono	Head of health centre	Konindou	07/10/2009
Fofana, Alpha Ouma	President of the community agent's association	Dabola	01/10/2009
Gödecke, Andrea	DED Mali, PBB project coordinator	Bamako	16/12/2008
Koulibaly, Catherine	Community agent	Dabola	01/10/2009
Maïga, Bureïma	PSI Mali, person in charge of diarrheal diseases	Bamako E-Mail- communication	16/10/2009 07/11/2009
Michailof, Serge	Associate Professor on development policies at Sciences Po Paris, former regional director at the World Bank	Paris	07/04/2009
Oumar, Balde Alpha	PSI Guinea, "Sur' Eau" project coordinator	Electronic interview	27/01/2010
Soua, Kourouma	Head of health centre	Konso	02/10/2009
Von Medeazza, Gregor	UNICEF Mali, water sanitation and hygiene specialist	Telephone interview	05/11/2009
Adama Condé family	Household	Babiliya, Dabola	05/10/2009
Aïba Condé family	Household	Babiliya, Dabola	05/10/2009
Aissata Sidibé family	Household	Bandiri, Dabola	01/10/2009
Binton Kouyaté family	Household	Founden, Dabola	30/09/2009
Condé Mouba family	Household	Founden, Dabola	08/10/2009
Dgariou Barry family	Household	Founden, Dabola	08/10/2009
Dgene Dramé family	Household	Konindou	07/10/2009
Fanta Fofana family	Household	Kambaya, Dabola	30/09/2009
Fanta Keita	Household	Konso	02/10/2009

family			
Fanta Souaré	Household	Kambaya, Dabola	30/10/2009
family			
Fatoumata Travé	Household	Founden, Dabola	08/10/2009
family			
Gnama Kouyate	Household	Bandiri, Dabola	01/10/2009
family			
Kaira Keita	Household	Saouro, Dabola	01/10/2009
family			
Mamacire Cisse	Household	Konso	02/10/2009
family			
Mohamed Diallo	Household	Babiliya, Dabola	05/10/2009
family			
Oumar Aoumbouya	Household	Babiliya, Dabola	05/10/2009
family			
Poret Nawa	Household	Konso	02/10/2009
family			
Saranba Dramé	Household	Konindou	07/10/2009
family			
Temba Cissoko	Household	Babiliya, Dabola	05/10/2009
family			
Temin Keita	Household	Konindou	07/10/2009
family			
Thierno Diallo	Household	Saouro, Dabola	01/10/2009
family			

Annex 2: Questionnaire Traitement de l'Eau à Domicile (TED) - Ménage

Marketing safe water to the bottom of the pyramid (BOP) in Dabola, Guinea

Objet du présent questionnaire:

Madame, Monsieur, je m'appelle Oezge Aydogan et je travaille pour l'ONG Suisse Antenna Technologies (ATG) qui intervient principalement dans deux domaines clés: la lutte contre la malnutrition et l'accès à l'eau potable.

Si vous me permettez, je souhaiterais vous poser certaines questions relatives à la santé et à l'hygiène dans votre ménage.

Nom:

Date:

Lieu:

Section I: Volet connaissance/promotion du chlore

(1) *Quelle source d'eau utilisez-vous pour l'eau de boisson ?*

...

(2) *Traitez-vous votre eau de boisson ?*

a) Si non, pourquoi pas ?

b) Si oui, comment traitez-vous votre eau ?

...

(3) *Avez-vous déjà entendu parler du produit « Wata Eau » ?*

a) De quelle manière (forme de promotion) ?

b) Quand ?

...

(4) *Avez-vous été informé:*

a) des dangers des maladies hydriques causées par la consommation d'eau contaminée ?

b) des mesures d'hygiène ?

c) du propre traitement de l'eau avec le chlore actif ?

d) des différents types d'utilisation du chlore actif dans le ménage (par exemple: pour le nettoyage, la vaisselle, la désinfection des toilettes etc.) ?

...

(5) *Saviez-vous déjà que l'eau peut être source de maladies ?*

...

- (6) *Comment avez-vous perçu la compréhensibilité et la forme d'information que vous avez reçue ?*
- a) *C'était clair et net. Je sais maintenant comment traiter mon eau de boisson avec le chlore actif, et je suis sensibilisés aux dangers des maladies hydriques causées par la consommation d'eau contaminée.*
 - b) *Suffisant. Mais je souhaite plus d'explications.*
 - c) *Incompréhensible et insuffisant. Je ne sais pas encore comment traiter l'eau avec le chlore actif, et je ne connais pas non plus les dangers causés par la consommation de l'eau contaminée.*

...

- (7) *Si vous souhaitez plus d'informations, précisez les canaux (par exemple: communication interpersonnelle par les agents communautaires, radio « Bissikrima », panneaux, dépliants, film/vidéo etc.)*

...

Section II: Volet utilisation du chlore

- (1) *Pour quel usage utilisez-vous le chlore (type d'utilisation) ?*
- a) *Pour traiter l'eau de boisson.*
 - b) *Pour d'autres besoin domestiques (cuisine, vaisselle, toilette etc.).*
 - c) *Autres emplois (à préciser).*

...

- (2) *Combien de fois traitez-vous l'eau avec le chlore actif ?*
- a) *Régulièrement.*
 - b) *De temps en temps.*
 - c) *Jamais. Pourquoi ne traitez-vous pas votre eau de boisson ?*
 - d) *Est-ce que votre utilisation du chlore dépend de la saison (plus d'utilisation pendant la saison des pluies par exemple) ?*

...

- (3) *Y a-t-il quelqu'un qui vient dans votre ménage pour contrôler la qualité de votre eau de boisson ?*

...

Section III: Volet commercial

- (1) *Comment avez-vous reçu le produit « Wata Eau » ?*
- a) *Gratuitement.*
 - b) *J'ai acheté « Wata Eau ».*

...

(2) *Si vous avez acheté « Wata Eau », pourquoi êtes-vous prêts à payer pour le chlore ?*

...

(3) *Où achetez-vous « Wata Eau » ?*

- a) *Dans les points de vente (kiosques).*
- b) *Quelqu'un est venu directement à ma porte vendre le chlore (précisez la personne).*
- c) *Autres endroits (à préciser).*

...

(4) *Quel rôle joue l'accessibilité du produit dans votre décision d'achat? Achèteriez-vous le chlore si l'on vous le vendait directement chez vous ?*

...

(5) *Comment trouvez-vous le prix de 5000 GNF pour un flacon d'un litre de chlore actif ?*

- a) *Trop cher.*
- b) *Cher.*
- c) *Abordable.*
- d) *Bon marché.*

...

(6) *Combien êtes-vous prêts à payer pour un litre de chlore actif ?*

- a) *1000 - 2000 GNF*
- b) *2000 - 3000 GNF*
- c) *3000 - 4000 GNF*
- d) *4000 - 5000 GNF*
- e) *Plus de 5000 GNF*

...

(7) *A quel moment avez-vous acheté le chlore actif*

- a) *Il y a une semaine.*
- b) *Il y a deux semaines.*
- c) *Il y a trois semaines.*
- d) *Il y a un mois.*
- e) *Il y a plus d'un mois.*

...

(8) *Quel rôle joue l'emballage/la présentation des flacons dans votre décision d'achat ? Comment percevez-vous la présentation des flacons (appréciation/attractivité de l'emballage)? Comment percevez-vous le flacon de « Wata Eau » en comparaison avec le flacon de « Sur' Eau » ?*

...

Section IV: Volet santé/hygiène

(1) *Quelles sont les maladies les plus fréquentes dans votre ménage ? Précisez les maladies.*

...

(2) *Quel est l'impact de l'utilisation du chlore actif dans votre ménage? Avez-vous constaté un changement dans la qualité de vie grâce à l'utilisation du chlore:*

a) *Par rapport à la santé ? (réduction du taux de maladies hydriques)*

b) *Par rapport à l'hygiène ?*

...

(3) *Avez-vous des recommandations à faire pour améliorer la qualité du produit et du service ?*

...

Merci d'avoir consacré du temps à ce questionnaire.

Annex 3: Interview transcript UNICEF Mali

Interviewee: Gregor von Medeazza, Water Sanitation and Hygiene Specialist, UNICEF Mali, Bamako

Place and date: Telephone interview, 5 of November 2009

Q1: *Quelles sont les stratégies/les activités de l'UNICEF Mali dans le domaine de l'eau potable ?*

Au Mali, nous suivons une approche diversifiée, il faut distinguer deux niveaux différents:

(1) Niveau institutionnel/gouvernemental:

Au niveau institutionnel, nous travaillons avec les autorités publiques, notamment avec le ministère de l'électricité et de l'eau et le ministère de la santé pour assurer une politique de qualité de l'eau.

Avec le ministère de la santé, nous sommes en train de fixer/définir des standards/normes relatifs à la qualité de l'eau au niveau national au Mali. Le ministère de la santé est l'autorité responsable du l'audit de la qualité de l'eau (travail de vérification).²⁴⁵

Au travers du ministère de l'eau et de l'électricité nous intervenons au niveau de l'infrastructure/approvisionnement de l'eau.

(2) Niveau foyer:

Au niveau des foyers, nous soutenons l'approche TED (Traitement de l'eau à domicile) pour assurer la qualité de l'eau consommée par les ménages. En collaboration avec la population, nous cherchons des méthodes de traitement de l'eau pour améliorer l'accès à l'eau potable, étant donné que actuellement seulement 49% de la population malienne et seulement 28% de la population rurale du Mali a accès à une source améliorée d'eau potable (sous définition du JMP UNICEF-OMS). De ce pourcentage, seulement une fraction dispose d'eau directement au domicile. Les autres sont obligés de s'approvisionner à des points d'eau publics (puits, forages etc.) souvent non-protégés et non-traités, donc de qualité non-assurée. De plus, même si l'eau est traitée à la source, elle est souvent contaminée lors qu'elle arrive à la maison. Ainsi, l'UNICEF vise à prolonger la chaîne du traitement de l'eau pour que l'eau soit traitée au niveau des foyers. C'est là que la stratégie TED (en anglais : Household Water Treatment and Safe Storage, HWTS) est appliquée. En fait, le terme anglais est plus complet. Il contient aussi l'aspect important du stockage car, l'eau est souvent polluée lors de sa conservation à la maison (par exemple c'est le chat ou le chien qui passe, l'enfant qui joue avec l'eau etc.).

Q2 : *Quels sont les avantages de la technologie de production locale du chlore à travers des appareils WATA développés par Antenna Technologies ? Pourquoi avez-vous choisi d'appliquer cette approche ?*

Le travail d'Antenna s'intègre parfaitement dans la logique du TED dont j'ai parlé. La « chlorification » est une méthode assez efficace et économique pour traiter l'eau à domicile. L'accès à l'eau potable est particulièrement limité dans les zones rurales. Ainsi, l'approche d'Antenna est une bonne stratégie qui rend possible une production décentralisée et locale du chlore à flux tendu.

²⁴⁵ "Règles du jeu".

Q3 : *Pourriez-vous spécifier les canaux/activités de marketing social utilisée pour la promotion du TED ?*

L'amélioration durable des conditions sanitaires de la population nécessite un changement des comportements (« behaviour change »). Il s'agit d'un problème culturel. Ainsi, la promotion du respect des règles d'hygiène fait partie de la stratégie du TED. Or, il faut trouver de bons arguments, une bonne stratégie de communication pour faire passer le message à la population. La stratégie de communication/marketing social employée par l'UNICEF est celle de « Communication for Development ».

Dans le cadre de cette stratégie de communication pour le développement, une série des différents canaux de communication sont utilisés par l'UNICEF, notamment:

- La télévision pour faire passer des spots publicitaires, par exemple des petits sketches sensibilisant d'une façon visuelle à la thématique du TED et à l'hygiène;
- La radio;
- Des journées nationales du traitement de l'eau. A cette occasion des démonstrations sont faites pour expliquer aux populations l'importance du TED et des pratiques de traitement de l'eau.

Voilà, ce sont les moyens de mass média.

Par ailleurs, nous intervenons aussi au niveau des centres de santé. Vous voyez, le moment où une personne est la plus réceptive, c'est lorsqu'elle vient au centre à cause d'une maladie, lorsqu'elle souffre d'un problème de santé. Donc au moment où l'infirmière traite le patient, elle lui explique les raisons de sa maladie et lui donne, ainsi qu'à sa famille des conseils pour éviter les maladies hydriques en traitant l'eau à domicile. Ainsi, l'implication des centres de santé dans le travail de sensibilisation et d'information est très importante.

L'UNICEF s'engage également pour que les pratiques de l'hygiène et du TED soient intégré dans le cursus des enfants au niveau de l'éducation scolaire. UNICEF promeut « les gestes qui sauvent », entre autres:

1. Allaiter le bébé dans la demi-heure qui suit la naissance, exclusivement jusqu'à six mois et de manière optimale jusqu'à 24 mois;
2. Se laver les mains avec du savon dans les moments critiques;
3. Prendre en charge la diarrhée à domicile, avec une Thérapie de Réhydratation Orale et du Zinc, et augmenter les liquides;
4. Dormir sous une moustiquaire imprégnée d'insecticide.

Les enfants sont les ambassadeurs du changement, ainsi l'UNICEF s'engage particulièrement pour que les enfants soient impliqués dans le travail de sensibilisation. Les enfants, autant que les médecins, les politiciens et les agents de pub sont des porteurs de message.

Q4 : *Quelle approche - donation gratuite ou bien vente du chlore actif – jugez vous comme la plus efficace pour responsabiliser la population au TED ? Pourquoi ?*

Ce qui importe c'est de trouver une stratégie qui peut aboutir à un changement de comportement. En ce qui concerne le marketing social et les subventions (directes ou indirectes), il n'y a pas de réponse blanche ou noire. Cela dépend de la situation/du contexte. On ne peut pas demander à une famille qui est très pauvre d'acheter le chlore. Par contre, une démarche possible serait de subventionner les pauvres à travers la vente du chlore à ceux qui disposent de moyens financiers pour le payer (principe de solidarité compensatoire au niveau sociétal). Le problème, c'est la détermination d'un prix juste et

abordable pour les pauvres. Donc il faut se poser des questions comme « Quel est le prix juste », « Qui en a le plus besoin », « Qui paie ».

Merci d'avoir consacré du temps à ce questionnaire.

Annex 4: Interview transcript PSI Guinea

Interviewee: Balde Alpha Oumar, “Sur’ Eau” project coordinator

Place and date: Electronic interview, 27 of January 2010

I Question préparatoire

Q 1: Présentation du projet « Sur’ Eau : Traitement de l’eau à domicile » (spécification du projet, description, démarche, objectifs, zones d’intervention, partenaires etc.)

Description

La Guinée comme beaucoup d’autres pays sous développés est confrontée au problème d’approvisionnement en eau potable des populations tant en milieu urbain qu’en milieu rural. Une frange importante de la population continue à tirer son eau de boisson de sources non potables notamment de puits non protégés et d’eaux de surface (ruisseaux, fleuves, rivières etc.). Cette situation engendre la prolifération des maladies hydriques dont le choléra qui depuis presque une décennie est devenu endémoépidémique.

En 2006, la Guinée a enregistré 3’230 cas de choléra, dont 218 décès, avec un taux de létalité de 7,6%. Cette épidémie a touché 14 préfectures dans les 4 régions naturelles du pays et la ville de Conakry. En 2007, 8’546 cas ont été enregistrés, dont 310 décès avec un taux de létalité de 3,6%. Cette épidémie a touché 13 préfectures, et en 2008, 3 préfectures avec 257 cas dont 16 décès. C’est pour répondre aux besoins des populations en matière d’eau, d’hygiène et de prévention des maladies liées à la consommation d’eau non potable dont le choléra, que PSI Guinée, en collaboration avec le Ministère de la Santé Publique, a mis en œuvre le projet de Traitement de l’Eau à Domicile, en 2006.

Ce projet s’inscrit dans le cadre de la prévention des maladies diarrhéiques et notamment du choléra, par le traitement de l’eau de boisson à domicile par le produit Sur’ Eau couplé avec des campagnes d’IEC/CCC pour améliorer les pratiques hygiéniques des populations. L’approche technique du système de désinfection de l’eau au point d’utilisation a été développée par le « Centers for Disease Control and prévention » (CDC) et l’Organisation Panaméricaine de la Santé (OPS) pour répondre au besoin immédiat d’amélioration de la qualité de l’eau face à l’épidémie de choléra en Amérique Latine en 1992.

PSI en collaboration avec le CDC, a mis en œuvre des projets de marketing social pour les produits de désinfection de l’eau dans plus de 20 pays.

Le projet de Traitement de l’Eau à Domicile est une intervention relative à la qualité de l’eau potable qui utilise des technologies simples, peu chères et efficaces, convenant essentiellement au monde en développement. La stratégie consiste à rendre l’eau saine par le biais de la désinfection avec une solution d’hypochlorite de calcium, et à assurer un meilleur stockage et l’adoption de bonnes mesures d’hygiène au point d’utilisation. Le produit de désinfection utilisé dénommé « Sur’ Eau® » est une solution de 1,25% d’hypochlorite de calcium contenue dans une bouteille plastique opaque de 150 ml. Une bouteille peut désinfecter 1000 l d’eau, ce qui représente la consommation moyenne d’un ménage pendant un mois.

But et Objectif

L’objectif global du projet est de contribuer à la réduction du taux de morbidité et de mortalité dû à la diarrhée (dont le choléra) provenant de la consommation d’eau insalubre et des mauvaises pratiques d’hygiène.

Les objectifs spécifiques sont :

- Augmenter la perception des femmes sur le fait que le traitement de l'eau à domicile est efficace pour la prévention des maladies diarrhéiques dont le cholera;
- Améliorer la qualité de l'eau de consommation des ménages en utilisant Sur' Eau® pour la désinfection;
- Améliorer la perception et l'attitude des cibles vis-à-vis de l'eau de consommation, des pratiques hygiéniques saines dont le lavage des mains au savon ainsi que le stockage de l'eau de boisson dans de bonnes conditions, afin de prévenir les maladies diarrhéiques;
- Assurer l'accessibilité et la disponibilité du produit Sur' Eau par la mise en place d'un réseau efficace de distribution.

Le projet comporte deux volets:

Un volet promotion et distribution du produit de traitement de l'eau a domicile dénommé Sur' Eau et un volet promotion des bonnes pratiques d'hygiène auprès des populations cibles, ceci par la communication pour un changement de comportement à travers la CIP, les médias de masse et la mobilisation communautaire.

Stratégies d'intervention

L'équipe de PSI Guinée travaille en étroite collaboration avec le Ministère de la Santé et de l'Hygiène Publique (DRS, DPS, etc.), l'UNICEF et les ONG (CREPA) locales pour la mise en œuvre de ce projet.

ZONE D'INTERVENTION: Les groupes cibles sont les enfants âgés de 0-5 ans des zones urbaines et rurales au niveau national.

II TED : Approche donation gratuite contre approche vente

Q2: *En tant que PSI Guinée, pourquoi avez-vous choisi d'appliquer l'approche vente (commercialisée) afin de motiver et de responsabiliser la population au TED à long terme (raisons à spécifier) ?*

- Les utilisateurs doivent en reconnaître la valeur;
- Les produits et services procurent un gain à ceux qui les revendent;
- Le MS procure chez les utilisateurs un sens d'auto responsabilité dans le choix du comportement à adopter;
- Le MS utilise des techniques de communication pour amener le public à un changement de comportement et à l'usage des produits afin d'améliorer la santé des groupes cibles.

Q3: *Comment jugez-vous la disposition à payer (« willingnes to pay ») parmi la population ?*

Selon les études (pré-test, enquêtes de base, étude de distribution) réalisées auprès des groupes cibles, le prix actuel (3'000 GNF) du produit est accessible aux populations cibles.

Q4 : *La fixation d'un « prix juste » du produit pour la population, comment est-elle faite?*

Le prix a été fixé en fonction du coût de production du produit, du pouvoir d'achat des populations cibles (population à faible revenu) et du consensus des différents partenaires (MSHP, UNICEF etc.).

Q5 : Le produit, où et de quelle façon est-il produit (solution du chlore & emballage) ?

Le produit est fabriqué localement en Guinée par une société dénommée MEFCO PLASTIC.

A – Bouteille

Matériel : plastique de type alimentaire, opaque

Couleur : bleu foncé

Volume : 150 ml

Poids : environ 12 grammes

B – Solution d’hypochlorite de calcium

Une solution claire d’hypochlorite de calcium produite par la dilution de la poudre de HTH dans l’eau désionisée. Elle est dosée à 1.25% d’hypochlorite de calcium disponible avec une marge de ($\pm 5\%$) et stabilisée à un PH : [11 – 13].

Q6 : La distribution, comment est-elle faite/organisée? Le produit, où est-il vendu ?

PSI dispose d’une direction des ventes de ces produits qui est chargée de la mise en place et de l’entretenir d’un réseau de distribution efficace. Il existe une structure de prix bien définie et comprenant 3 niveaux: grossistes 2’000 GNF, détaillants 2’400 GNF et consommateurs 3’000 GNF. Elle utilise le réseau de distribution du secteur commercial informel (boutiques, superettes, supermarchés, kiosques etc.), et le réseau de distribution des produits médicaux-pharmaceutiques (pharmacies privées et structures sanitaires).

III Marketing social : Sensibilisation & information de la population par rapport au TED**Q7 : Quels outils/activités de marketing social sont utilisés par PSI Guinée pour sensibiliser, informer & motiver la population au TED ?**

Le plan de communication combine la communication interpersonnelle (porte à porte, causeries éducatives), la mobilisation communautaire (sensibilisation de masse, sponsorings) et les médias de masse (radios, TV et panneaux routiers). Tout ceci est appuyé par la distribution de supports éducatifs et promotionnels (affiches, dépliants, autocollants, t-shirts etc.).

Q8: Quel type de messages sont utilisés pour informer, sensibiliser & motiver la population au TED ?

Les principaux messages concernent:

- L’amélioration de la connaissance des femmes afin qu’elles utilisent correctement le Sur’ Eau®;
- Augmenter la perception des femmes sur le fait que le traitement de l’eau à domicile est efficace pour la prévention des maladies diarrhéiques dont le choléra;
- La promotion des bonnes pratiques d’hygiène.

IV Evaluation/impact**Q9 : Comment jugez-vous l’efficacité/l’impact de votre projet par rapport au TED ?**

Notre projet est leader dans le domaine du traitement de l’eau à domicile en Guinée. Il a contribué à lutter contre l’épidémie de cholera qui sévit en Guinée depuis 2002. Il a aussi permis la mise en place d’autres méthodes de production du chlore par l’utilisation d’électrolyseurs dans les chefs-lieux des régions naturelles au niveau des DRS.

Q10 : Quels sont les « points faibles » / « point forts » du projet ? Où voyez-vous des possibilités d'améliorations potentiels/possible ?

Le projet est connu, et la promotion de ces activités a permis une prise de conscience des populations par rapport à la désinfection de l'eau à domicile qui, au lancement du projet ne faisait pas partie des habitudes des populations guinéennes. Vu les résultats obtenus dans la lutte contre l'épidémie de choléra, le projet est soutenu par le Ministère de la santé et de l'hygiène publique, les partenaires au développement dont l'Unicef mais aussi les autorités politiques et administratives du pays. Le projet connaît aujourd'hui un soutien sans précédent des populations partout dans le pays. Les activités de communication pour la promotion du projet dans certaines régions du pays font défaut, ceci par manque de financement permettant de réaliser certaines activités en milieu rural.

Q11 : Avez-vous des remarques personnelles?

Il faudrait trouver des financements suffisants pour une meilleure couverture du pays tant sur le plan de la distribution que sur le plan de la communication.

Merci d'avoir consacré du temps à ce questionnaire.

Annex 5: Interview transcript community agent

Interviewee: Alpha Ouma Fofana, president of the community agent's association in Dabola

Place and date: Dabola, First of October 2009

Q1 : Pourriez-vous me parler de votre travail de sensibilisation dans les villages en tant qu'agent communautaire pour Tinkisso?

Je suis un agent communautaire embauché et formé par Tinkisso dans le domaine de l'utilisation du chlore dans les communautés. J'ai été engagé par Tinkisso l'année dernière pour la sensibilisation autour du chlore.

Je fais du porte à porte. J'amène des flacons avec moi pour expliquer aux gens les avantages du traitement de l'eau avec le chlore ainsi que son utilisation. Pendant mes séances d'informations, j'explique aux gens que « Wata Eau » est le produit qui tue tous les parasites dans l'eau. Je leur montre comment ils doivent utiliser un bouchon de chlore actif pour désinfecter 20 litres d'eau.

Q2 : Depuis quand travaillez-vous comme agent ?

Depuis cinq ans. Avant mon engagement pour le projet Tinkisso/Unicef, j'ai travaillé pour l'UNICEF et Africair [un projet contre la malnutrition de l'USAID].

Q3 : Êtes-vous payé pour votre travail ?

Non. Je travaille volontairement.

Q4 : Pourquoi et par qui avez-vous été choisi pour accomplir cette tâche ? À la base de quels critères ?

Tinkisso m'a recruté pour le projet Unicef/Tinkisso en raison de mon engagement et mon expérience en tant qu'animateur communautaire.

Auparavant, le centre de santé avait envoyé une demande à la communauté, lui demandant de choisir un agent qualifié pour accomplir le travail de sensibilisation. Ensuite, la communauté s'est réunie et ils m'ont choisi. J'ai été choisi en vertu de ma formation (je suis agronome de profession), de mon aptitude à lire et à écrire en français, de ma disponibilité, de ma patience, de ma crédibilité, de mon engagement pour le volontariat, et de mon acceptante sociale par la communauté.

Q5 : De quelle manière sensibilisez-vous les gens par au traitement de l'eau à domicile ?

Je passe deux fois dans chaque village. D'abord, je distribue le chlore en expliquant aux ménages son utilisation pour le traitement de l'eau de boisson. Après un certain temps, je reviens pour contrôler si les gens utilisent vraiment le chlore. J'explique également que l'eau contaminée peut être source de maladies, alors il faut la traiter avec le chlore. Je fais des séances d'information individuelles dans les ménages. Je parle d'abord avec les femmes car ce sont elles qui gèrent le ménage. Après, je fais passer le message aux hommes aussi.

J'aime beaucoup mon travail de sensibilisation. Mais vous voyez, je ne suis plus tout jeune. Passer de porte à porte à pieds, ce n'est pas facile. Les distances entre les villages sont grandes. Ce qui me manque, c'est un moyen de déplacement. Je serais déjà content si j'avais un vélo. J'ai demandé à Tinkisso d'apporter plus de flacons. Mais eux n'ont pas non plus les moyens de se déplacer.

La communication est un autre problème. Parfois, je n'arrive pas à communiquer correctement avec les gens, parce que je ne parle pas très bien le peule. Ainsi, je trouverais bien si Tinkisso informe aussi la population par le radio Bissikrima. Les gens écoutent tout le temps la radio. On pourrait y diffuser des messages en plusieurs langues.

Q6 : Comment motivez-vous les gens à utiliser le chlore actif pour traiter l'eau ?

En leur expliquant l'importance du traitement de l'eau avec le chlore pour éviter les maladies hydriques. Je compare la situation actuelle avec la situation avant et leur démontre comment les conditions sanitaires se sont améliorées grâce à l'utilisation du chlore.

Q 7: Comment jugez-vous l'impact de l'intervention de Tinkisso sur la situation sanitaire des ménages ? Avez-vous constaté une amélioration par rapport au taux de maladies hydriques par exemple ?

L'impact est remarquable : J'ai constaté une amélioration totale, une forte diminution des cas de diarrhée, des maladies hydriques en générale.

Q 8 : Donnez-vous le chlore gratuitement ? Ou bien vendez-vous le chlore ?

Nous avons distribué du chlore gratuitement pour le faire connaître parmi les ménages. Mais nous avons eu des problèmes avec les animateurs de kiosques qui se sont plaints d'être perçu négativement par la communauté car eux vendent le chlore. Maintenant, nous faisons remarquer aux ménages que la prochaine fois ils devront payer pour le chlore. On leur explique où se trouvent les kiosques où le chlore peut être acheté.

Q9 : Quelle approche jugez vous comme la plus appropriée pour responsabiliser les gens à utiliser le chlore régulièrement ?

Quand les gens sont obligés de payer, ça augmente leur responsabilité dans l'utilisation du chlore. Donc personnellement, je soutiens l'approche vente.

Q 10 : Comment jugez-vous la disposition des gens à payer pour le chlore ?

Il y a une volonté de payer, mais c'est difficile pour ceux qui n'ont pas d'argent. Le prix actuel de 5000 GNF est trop cher. Le prix approprié serait entre 1000-2000 GNF. Les gens demandent du chlore, mais comme ils n'ont pas les moyens financiers pour l'acheter, ils ne l'achètent pas.

Q11 : Avez-vous des propositions à faire pour améliorer l'efficacité du projet ?

Il faut trouver une solution au problème de transportation. Le problème du véhicule est très important. Par ailleurs, il faut augmenter la disponibilité du produit. Enfin, il faut diminuer la quantité ainsi que le prix du flacon.

Merci d'avoir consacré du temps à ce questionnaire.

Declaration of Independence

I hereby declare

- that I have written this thesis without any help from others and without the use of documents and aids other than those stated above,
- that I have mentioned all sources used and that I have cited them correctly according to established academic citation rules.

Bachenbülach, February 13, 2010

Oezge Aydogan