

## Globalization of the good life

*Western entrepreneurship and business laid the foundation of the welfare of the Western World. It also did much to cause the present misery of the Third World. There is no reason why business could not also lay the foundation of Global Welfare.*

International aid as we know it was inspired by the success of the Marshall Plan. But while the Marshall Plan was based on equality and common goals, international aid has turned out to be paternalistic and involve a host of conflicting political motifs. International aid has been criticized from many quarters during its entire existence, but not until September 11<sup>th</sup> can we be in final agreement that it has failed. In spite of more or less well meaning intentions, more than half of the world's population live in abject poverty and even less than half have regular access to such basic pillars of welfare as clean water and electricity.

This situation was clearly pictured in Business Weeks Special Report on Global Poverty. Even though several successful aid projects are described, the conclusion of the report is not very optimistic. The solution suggested is to give international aid yet another go – at immense costs and no outcome guaranteed. However, there is also a sign in a new direction in the report: “if the bottom half of the global population becomes the biggest consumers and producers, the payoff for business will be immense.”

And yes! We must agree with the caption in the Editorial: “Don't fight poverty with worn-out tools!” Business may become a new tool, if by business we mean free enterprise with sound regulated rules. “Make business, not war!”, as Jeffrey Garten would put it, according to the excerpt from his book *The Politics of Fortune* which is excerpted in the same issue of Business Week.

Of course, land reforms, legal reforms, security, education and other public services must be a foundation for any development and must be addressed by each national and local government. But to afford improvements in these areas, there must be a concomitant development in productivity. Some of the absolute requirements for progress in productivity are reliable access to clean water and electricity and development of marketing and credit facilities.

### Access to clean water is one of the pillars of the good life.

Millions of people die each year from diseases caused by contaminated water and an even larger number are disabled for life. Bad water is thus not only a sign of poverty – it causes poverty and makes it permanent. “Without adequate clean water, there can be no escape from poverty,” Klaus Toepfer, head of the United Nations Environment Program said in August 2002 at the World Water Symposium in Stockholm, a gathering of 900 politicians, scientists and industry representatives from 100 countries.

Water for all was also a main topic at the United Nations “Earth summit on sustainable development” in Johannesburg in September 2002. And there is a constant stream of international water conferences: in September 2002 also in Athens, Greece and Ade-

laide, Australia; in October in Amsterdam, Holland, and Marrakech, Morocco and in Mexico City, Mexico.

### Conferences do not provide water

The international concern for water has a long and unlucky history. In 1977 the United Nations Water Conference in Mar del Plata, Argentina, stated that “all people, whatever their stage of development and their social and economic conditions, have the right to have access to drinking water in quantities and of quality equal to their basic needs”. The International Drinking Water Supply and Sanitation Decade - also called the Decade of Water - was announced. The ambition was that during the decade 1980-1990, everybody should get access to pure water and sanitation. But little progress was made. In fact the situation got worse.

And then another decade – the nineties - passed with little progress. According to a paper in 1998 by the United Nations Commission on Sustainable Development - “Towards Water and Sanitation as Sustainable Basic Social Service for All” – some 3 billion people - about one-half of the world population - didn’t have access to adequate water and sanitation.

Figures vary, but all agree that not much has improved since then. The number of deaths incurred each year due to unsafe drinking water and lack of sanitation is greater than that of cancer and AIDS combined. At least four people – mostly children – die every minute from bad water and many more are disabled for life by various illnesses and by damage to their immune system. Chances are slim that the host of recurring conferences will change that picture.

### International aid is a string of failures

In the early sixties young British geologists pooh-poohed when old wise men around the Ganges warned that the groundwater in the region was “Devils Water”. Thousands of bore wells were sunk by various international aid agencies. Infectious diseases were greatly reduced by access to this clear ground water. But the water contains natural arsenic. Now tens of millions in the area suffer from arsenic poisoning. WHO calls it the greatest ecological disaster ever.

Today, Unicef in its campaign A Drop of Water is sinking wells in Africa to help the poor. Some warn that the wells may dry up seasonal rivers and thus have a long term negative effect. But these warnings go unheeded, because the good deed is beyond rebuke.

These are only examples. In international water projects failure is more common than success.

### Business, not charity is the right way to development

Where in recent decades the public sector was pushed back, the private sector was supposed to step in. But this has not happened. As to dealing with the poor billions of the world, the private sector has mainly engaged in old fashion type charity, sometimes

renamed sponsorship. Good business could however quickly make the world a better place. Let me give two examples – of thousands possible - of how industry, without giving up normal profitability, could make a difference in the world. To make them concrete, I will direct them to actual international companies. The first is to Coca-Cola and the second to GE-Capital.

### A small step for Coke, but a giant step for humanity!

Starving children need food. But what actually kills them is thirst. It is dehydration and it is the infections that rampage when their immune systems are wrecked by dehydration. Food won't help them if there is no pure water around. First they need to be rehydrated to get back to life and then given pure water to stay alive. Then, finally, adequate nutrition to remain healthy and grow.

The use of Oral Rehydration Solution (ORS) has been described by the leading British medical journal *Lancet* as the most important medical advance of the 20<sup>th</sup> century. Yet few people have ever heard of it. It is a mixture of water and salts and sometimes sugar – like a western sports drink. It saves the lives of several million children around the globe annually. ORS does not cure illnesses; it just replenishes the salt and water lost from the body during infections, such as cholera and typhus, to give the body's immune system sufficient time to battle the infection.

In addition to helping to battle life-threatening infection, ORS also protects against a host of other illnesses. The immune system is largely made up of substances produced by the several pounds of bacteria we all carry in our intestine. When a person is dehydrated, the function of the intestinal system is compromised – it dries up - and the immune system becomes weak. On top of this, a compromised intestinal barrier – i.e. increased intestinal permeability as the protective phlegm of the intestines dries up – will enable pathogens to contribute to such diverse illnesses as Crohn's disease, Irritable Bowel Syndrome, Salmonella and E. Coli infections, Arthritis, Chronic Fatigue Syndrome, Hepatitis, Cystic Fibrosis, Pancreatitis, Hyperactivity, Alcoholism and, of course, AIDS.

ORS is already a tremendous success story for the International Center for Diarrheal Diseases Research in Dhaka, Bangladesh, who have developed the medicine and sponsored its use around the world. But there is still further potential in this "drug". As it is, ORS is either given intravenously at hospitals or supplied as a powder to be used orally in self-care. In self-care, it is difficult to dose and the powder is of course of no use if mixed with contaminated water.

By marketing a bottled ORS-drink through commercial distribution channels one would be able to save the lives of additional millions of children every year. And one would protect tens and perhaps hundreds of millions from various immunodeficiency illnesses, even the terrible threat of "African AIDS".

In order to distinguish it from traditional AIDS, which is now called HIV/AIDS, the term African AIDS has been adopted for the immunodeficiency illnesses that have the symptoms of AIDS but primarily are caused by undernourishment and dehydration. African AIDS is of course common also on other continents.

Even poor families are generally able to gather the money needed to cure a child from occasional dehydration, provided that ORS is available in their neighborhood. So, efficient distribution is crucial.

Who is better placed to market a bottled ORS than the Coca Cola Corporation? Coke-ORS could be marketed as a regular sports drink or a general health drink – a functional beverage - but its prophylactic properties in regard to dehydration could be advertised as well. A small step for Coke, but a giant step for humanity!

## GE Capital – for the poor

My other concrete example of how industry, without giving up normal profitability, could make a difference in the world of water is directed to GE Capital.

As already mentioned, water-borne diseases kill and debilitate millions of people every year. Probably more than any other single cause. ORS was the short term solution. In the longer term, improving drinking water supply in general is the most cost efficient measure to increase health and productivity. Next in cost efficiency comes electricity.

The *distributed energy/water program* combines both. The equipment uses agricultural waste for fuel to produce electricity, pure water and hot water and or refrigeration.

After an initial financial investment, financed by GE Capital, improved health will increase individual productivity at the same time as locally produced electricity for electric motors, communications and IT will increase the general productivity of the community. Even the poorest community would soon become not only self sustainable but also able to honor loans for their investments.

The equipment is state-of-the art and is especially tuned for reduced need of maintenance. It will consist of a micro-turbine or diesel that runs on bio-gas from agricultural waste and a water purification unit that runs on the waste heat from the engine.

The combination of bio-digesters and micro-turbines used for electricity will be energy efficient and, because of the high operating temperature of the turbine, virtually free from emissions.

For water purification, a technology is used that removes all bacteria and virus and other microbial pathogens. It also removes lead, mercury, fluoride, arsenic and other poisons - actually the water will be free from any contaminant. The technology is robust, easy to maintain and requires no consumables except waste heat.

This type of distributed water treatment will avoid the installation of huge municipal water systems with underground piping systems. More than half of the world's population has recently migrated to large cities and even where there are municipal systems in place, these will sooner or later have to be replaced.

A distributed energy/water compound also avoids huge dams and other environmental disruptions of large scale energy production. It will avoid huge investments in transmission infrastructures and the cost of their up-keep. Since it will utilize agricultural residue and other waste, it will not contribute to global warming. And any waste produced

can be returned to nature's cycle, even minerals to the soil, which will stop depletion of minerals on agricultural lands.

After the investment is made, the running costs are minimal. The running input for the system, except maintenance, will be agricultural waste. According to a study made by the Swedish Aid Agency, Sida, the energy content of world-wide agricultural waste approximately equals the energy content of annually used petrochemical fuels.

A distributed water/energy compound will not only contribute to welfare and economic equality. It will also empower local people, reduce onerous burdens on women and children and reduce profiteering and bribes. Local productivity will be empowered instead of centralized domination.

Aapo Saask October 7<sup>th</sup>, 2002

## *Biography*

Aapo Säask was born in 1943 in Estonia and has lived in Sweden since 1944. He is a graduate of Brown University, Providence, R.I., USA and also has studied at Rutgers University in the US and Stockholm and Linköping Universities in Sweden. He has initiated, promoted and organized several research and development projects in Sweden and abroad.

Financial assistance for the projects was granted by agencies such as World Bank/IFC, ITC/WTO, FAO, EC, EDF, ADB, the Swedish International Development Authority (Sida), the Swedish Fund for Industrial Co-operation (Swedfund), the Swedish Export Council, the Import Promotion Agency for Products from Developing Countries (IM-POD), the Swedish Board for Technical Development (NUTEK), the Swedish Council for Building Research (BFR), and the Industrial Fund of Sweden.

Based on Mr. Säask's recommendations and support, several agro-industrial projects have been established in Third World countries. Extended World Bank, ITC and FAO projects in Tropical Crops have been initiated and Mr. Säask's views and advice solicited by international funding agencies and foreign Governments. Mr. Säask has also throughout his entire career, without charge, advised inventors and entrepreneurs, in Sweden and in Third World countries, in the areas of energy, food, water and business development.

In later years, Mr. Säask has mainly worked with proprietary technology and has been engaged in mobilizing resources, co-coordinating development work and promoting technical research which resulted in formation of a number of companies.

### Education

BA 1964 at Brown University, Providence, Rhode Island, USA

Postgraduate Scholarship 1964-65 at Rutgers University, New Jersey, USA

MA Political Science and Philosophy 1968 at University of Stockholm, Sweden

M.Sc. in Education 1970 at University of Linköping, Sweden

MBA 1973, University of Stockholm, Sweden

### Contact address

Scarab Development AB

Riddargatan 12

SE-114 51 Stockholm

Sweden.

Tel +468-6603970

Fax +468-6629618

E-mail [aapo@scarab.se](mailto:aapo@scarab.se)