



## Brains X Change

### How can we provide clean water and sewage management?

#### Introduction

Combating poverty is one of the major challenges the world faces. Today between 1.5 and 2 billion people are trapped in extreme poverty, having less than a dollar a day to provide for their needs. In many countries poverty is deeply entrenched, preventing vast reaches of the developing world from realizing their economic and human potential. Poverty is most persistent in sub-Saharan Africa. Despite efforts by international organisations, governments, NGO's and individuals, this region remains largely trapped in poverty, whereas other global regions such as Asia did see noticeable improvements. In this case we look at the situation in Cape Town, South Africa. Even though South Africa is the country in sub-Saharan Africa with the strongest economy, it still faces widespread poverty and the problems that are related to it. Poverty provides the global community with one of its biggest challenges. For many years, attempts have been made to end (absolute) poverty. In 2000, government leaders from 189 countries committed themselves to halving poverty by 2015. For more information check: [www.unmillenniumproject.org](http://www.unmillenniumproject.org).

Poverty can be reduced by generating economic growth. Although (foreign) aid can help, it is mainly through business and entrepreneurship that poverty must be fought. Recently, economists like Hernando de Soto and Mohammad Yunus have stressed the need to enable small scale entrepreneurs by extending property rights to the poor and providing micro-credits. Nowadays, most people recognize that entrepreneurship and business are central to fight poverty.

#### Social entrepreneurship

The famous economist Mohammad Yunus describes a social entrepreneur as 'anybody who is offering his or her time and energy to address any social or economic problem of a group or community'. The social entrepreneur recognises a problematic situation and sets out to solve it through a business model. Ideally, this entrepreneur comes from this group or community himself. The most effective way to combat poverty is to create employment and income opportunities for the poor. Social entrepreneurs who are, or were, poor themselves create an income for themselves while at the same time creating beneficial effects for the whole community. People or companies can be social entrepreneurs on a large and global scale; a bank can be seen as a social entrepreneur for instance, when it is providing (fair) micro-credits on a global scale. But it can also be on a small, local scale: a social entrepreneur creating a better living environment for people in his or her own area.

#### South Africa

South Africa is doing relatively well, when compared to other countries in Sub-Saharan Africa. This area has the highest levels of poverty worldwide, with for instance 93% of the people in Niger living in poverty. In South Africa, 3% is considered to be living in absolute or 'multidimensional' poverty. South Africa is thus considered to be an upper-middle-income country, and seen as 'better off' compared to many Sub-Saharan nations. However, most South African households experience outright poverty or vulnerability to being poor. In addition, the distribution of income and wealth in South Africa is among the most unequal in the world, and many households still have unsatisfactory access to clean water, electricity, health care and education.

#### Poverty in Cape Town

Many people in Cape Town live in poverty. They are often housed in slums, poor quality settlements on the outskirts of the city. Most often, amenities and services are actually more expensive in these areas and transportation to the city and business areas is expensive. As a result, people are trapped in poverty. In Cape Town, these townships are situated on 'Die Kaapse Vlakte', or Cape Flats, to the southeast of the central business district (CBD). It is a huge area of sandy land where the majority of the 3.5 - 4 million inhabitants of Cape Town live. To most people in Cape Town, the area is known simply as 'The Flats'. The area is described by some as the 'apartheid's dumping ground', because it was marked from the 1950s as an area where non-whites were to live ('whites' and 'non-whites' lived in separated areas under the apartheid regime). Almost all of the inhabitants of the Cape Flats are, to one degree or another, poverty stricken. Serious





social problems include a high rate of unemployment and disturbing levels of gang activity. Cape Town has an official unemployment rate of 16.9 percent, which is significantly higher in the townships (50%). Almost 40 percent of its population lives below the poverty line, and over 18 percent of the population is infected by the HIV/AIDS virus. Fighting poverty in the Cape Flats is one of the major challenges Cape Town faces nowadays.

### **The challenge**

Sustainability has become a major issue within governments, but also within companies. As the world's resources are limited, a non-sustainable growth of the economy can have disastrous consequences in the future. Consequently, the nations of the South cannot afford to follow the non-renewable energy-dependent path of development and economic growth that has characterised the development of the North. Developing nations need to balance development with conservation and sustainability. To put it more simply: there is no long-term economic development in countries like South Africa without taking into account that this development must be sustainable. It is a fact no social entrepreneur can afford to ignore.

On a more practical level, and in the here and now, solid waste is one of the greatest challenges for many people in the cities of the global South, impacting directly on quality of life and the natural environment. Solid waste form a significant threat to the ecological, health, social and economic integrity of the city and its inhabitants, while effective solid waste management holds great potential for promoting a cleaner living environment and local community development.

This situation is no different in the Cape Flats. Only half of the families have flush toilets and sewerage; community toilets are in bad shape and very unhygienic. The other half depends on unhygienic community toilets that are facilitated by the government. On average ten families need to share one toilet. Few people have shower facilities. Also, many families in the Cape Flats do not have access to piped water at home. Many people need to line up to fetch water from community taps. Solid waste is collected irregularly or not collected at all. It piles up and scatters around. It can be concluded that a significant amount of people go without the basic services that are vital for a decent and healthy life.

Although the Cape Town City Council tries to provide basic services to all residents, including free services to a number of poor, there has been a significant lack of investment in urban infrastructure over the past twenty years. In short, the government has proved to be unable to meet the need for water and electricity. As a result there is an urgent need for investments, innovative approaches and renewable energy.

### **The challenge**

Can social entrepreneurs come up with ways of tackling these issues, providing access to water or reducing the waste-problem, while at the same time providing employment opportunities for the Cape Flats inhabitants?

**Solid waste is a big problem in Cape Town. Only half of all families have flushing toilets and sewage. There are community toilets, but solid waste builds up in piles and scatters around instead of being regularly collected. In addition piped clean water is not something that people can count on having at home. There must be a way that more people can be given the basic services that are vital to a decent, healthy life. Brain X Change calls on you to put forward innovative business ideas that can improve people's sanitary conditions.**

Are you interested to receive the full case (40 pages) with more background, theory and inspiring examples? Please send an email to [marieke@enviu.org](mailto:marieke@enviu.org) and we will send you the extended version of the case.

