

Mobile telecommunications:

Bridging the urban/ rural divide

The spread of mobile telecommunications in Africa is opening up new horizons in business and politics. More than 10 percent of the African population now has a mobile phone. In areas without roads where contact was formerly difficult, the mobile phone is sweeping aside communication problems. New business links are now possible; a new era is dawning in Africa.

When the mobile telecommunications companies began to set up their networks in Africa in the late 1990s, they expected their services to be taken up by at most one percent of the population. The calculation on which this enormous misjudgement was based was a simple one: only those who had a bank account and a landline connection were considered to be potential mobile phone users. This pool of possible customers was concentrated in the major cities. At that time there seemed to be no prospect of signing up rural customers; it was assumed that they simply lacked the requisite purchasing power. But the strategic planners had overlooked a vital piece of information: the reason why rural dwellers had no bank account or landline telephone was that there were no banks or telephones in the countryside, and this very fact would make them all the more eager to embrace wireless means of communication.

In some African countries at least 10 percent of the population now

possesses a mobile phone; the total number of mobile phone users in Africa is said to exceed 120 million. This is all the more surprising when set against the figures frequently quoted by the World Bank and aid organisations detailing the enormous number of Africans living on less than a dollar a day. The mobile phone market is the most rapidly growing sector on the continent. In Nigeria alone, a country with an estimated 130 million inhabitants, the number of mobile phone users has risen from 30,000 in 2000 to a current figure of over 12 million. Africa has a population of around 850 million and forecasts predict that by 2010 around 314 million of them will have a mobile phone. And yet 40 percent of the African continent is still not covered by transmitter masts. In Congo-Kinshasa alone, a country without infrastructure, there are 6.2 million mobile phone users. In a country with a population of 52 million, mobile phone companies regard 20 million people in Congo as potential customers prepared to spend between 15 and 20 US dollars per month on their telephone service. That makes Congo-Kinshasa a potential 400 million dollar market. It is no coincidence that the biggest company takeover in Africa's history was the sale of the

pioneering African mobile phone company Celtel in 2005 to a Kuwaiti group for the mind-boggling sum of 3.4 billion dollars.

*With a mobile phone you can
make business*

The reason for the boom in mobile telecommunications in Africa is simple: the mobile phone opens up previously unimaginable economic horizons. With a mobile phone in your pocket you can do business. This is most strikingly illustrated by the "cabines téléphoniques" found in francophone Africa. Such a "telephone box" consists of a wooden table with a sun umbrella, in the shade of which a woman with a mobile phone in her hand sits waiting for customers. A local call costs less than ten cents; an international call will set you back 30 cents per minute. Of course the number that the customer wants is dialled by the woman herself, to make sure that he is not calling his cousin in Paris rather than in Bobo-Dioulasso. Charging is delightfully simple: all mobile phones use prepaid call units, so once the customer's call has been made the woman makes a free call to check how much credit remains, calculates her mark-up and charges the customer accordingly.

At the same time the enabling of uncomplicated communication has torn down the former barriers between town and country. In many countries of Africa the absence of passable roads means that travel remains a laborious undertaking. This has led to a form of self-imposed isolation – so that, for example, fish traders in Kinshasa would know nothing of the fisherman 50 kilometres upstream. Conversely the fisherman knew nothing of the wholesaler – the potential customer who could multiply his earnings. Mobile phones have at last brought

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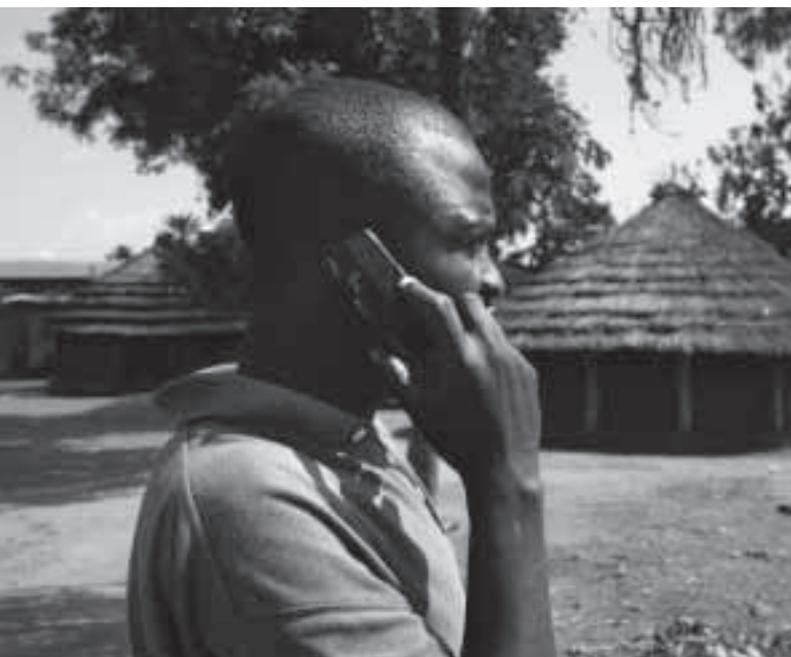


Photo: Panos

In Africa the number of mobile phones has risen from 30,000 in 2000 up to 12 million to date.

mobile telephony in Africa: "It's as though someone has suddenly turned the light on in a darkened room. All at once everybody can see everything". And it is true that the economic progress ushered

in by the widespread use of mobile phones has been accompanied by a political transformation. Previously – that is, before 1993 – election fraud always followed the same pattern: there was very little fiddling of the results in the cities, where international election observers were stationed, but this was offset by rampant fraud in rural areas. This tactic is now obsolete, because every instance of fraud is immediately reported to central office by local election observers using their mobile phones. At the same time the phenomenon has led to greater identification between rural and urban dwellers: in such significant events as the election of a new head of state the two groups

are no longer separated by hundreds of seemingly impassable kilometres, but only by the press of a button.

A new revolution: cashless money transfer via mobile phones

Ten years after the first mobile phone masts went up in Africa, the phone companies are working to bring about the next revolution: cashless money transfer via mobile phone. The money to be transferred is converted into telephone units through the purchase of prepaid airtime. These units can then be "remitted" from one mobile to another and converted back into money when required. For example, the recipient of the units pays the sender five dollars, if the value of the transferred airtime is five dollars. This turns a mobile phone into a giro account, without a bank being involved.

By this means the city dweller can send his family in the countryside telephone units that are equivalent to money; the family can use these units to buy food, by transferring them to the trader's mobile phone. The trader transfers the units that he receives for the food to his suppliers in the town, using them to pay for his next order. The supplier in turn sells these units to the first customer who wants to "load" his mobile phone with talk time. And so the wheel comes full circle.

the two together and enabled them to do business. There are still no roads in Congo, but there are cargo planes and high-speed boats that can be summoned by telephone. The new markets that are opening up there will be unable to halt the continent's large-scale rural exodus – but wireless communication has the potential to slow down migration from rural areas, because it unlocks opportunities for earning money outside the major centres of population.

The mobile telecommunications pioneer and founder of Celtel, Mohamed "Mo" Ibrahim – himself from Sudan – has a favourite image which he uses to describe the arrival of

Zusammenfassung

Der Einzug des Mobilfunks in Afrika bietet völlig neue Möglichkeiten: wirtschaftliche, aber auch politische. Derzeit besitzen mehr als zehn Prozent der afrikanischen Bevölkerung ein Handy – ein Ende des Mobilfunk-Booms ist nicht in Sicht. Wo Straßen fehlen und Kontakte bisher schwierig waren, löst das Handy jegliche Kommunikationsprobleme in Luft auf. Neue Geschäftsverbindungen werden möglich. Durch die neue Geschwindigkeit der Nach-

richtenverbreitung wird der politischen Korruption, insbesondere den Wahlfälschungen, ein Stein in den Weg gelegt. Afrika befindet sich auf dem Weg in ein neues Zeitalter.

Resumen

La llegada de la telefonía móvil a África ha abierto posibilidades completamente nuevas, tanto económicas como políticas. Actualmente, más del diez por ciento de la población africana posee un teléfono celular – y todavía no

se vislumbra el final de este auge de la telefonía móvil. Allí donde no existen carreteras y los contactos resultaban difíciles, el teléfono celular resuelve cualquier problema de comunicación, permitiendo que se establezcan nuevas conexiones de negocios. La recién adquirida velocidad de transmisión de noticias ha hecho surgir nuevos obstáculos para la corrupción política – y en especial para las elecciones fraudulentas. África ha emprendido el camino hacia una nueva era.