Mobile Africa must not leave its villages behind

By Murali Shanmugavelan   14 Mar 2007

Africa's telecommunications, and hence its business potential, will never reach full fruition if rural areas and the poor are ignored when it comes to the provision of services.

Africa has entered the information revolution. In 2003 alone, over 13 million new mobile subscribers were added on the continent, a figure equivalent to the total number of telephone – fixed-line and mobile – subscribers in 1995. The number of mobile users in Uganda stood at about 1.525 million in 2005.

A combination of different media and the World Trade Organization's telecommunication agreement are two major forces behind this revolution. Government providers – often inefficient and hampered by expensive infrastructure with outdated technologies – have lost their monopolies in the new competitive environment.

Today's Africa, with the fastest annual average growth rate in mobile subscriptions (65%), is hailed as an exciting model for the telecommunications revolution. When compared with the world's and Europe's average (33% and 35% respectively), this is an impressive record.

The development implications are immense

Information is critical to development, and telecommunications as a means of connecting people (accessing and exchanging information) is a vital link in the development process. The Nobel laureate and development economist Amartya Sen says that deficiency of information and lack of social connectedness are two main reasons for human deprivation.

Communication tools can help the poor to participate in development debates. This is particularly important for the poor and marginalised in Africa, where half the population earns less than a dollar a day.

However, a closer look at this revolution, examined from rural perspectives, shows that most of the growth has been in the cities. Overall national figures for teledensity – the number of phones per 100 people – hide the fact that there's only about one telephone per 1 000 people in some rural areas of Africa.

Nearly a decade after liberalisation, the promise of delivering the last kilometre of connectivity has remained unfulfilled for the rural and poor in Africa. Mobile phones are too expensive for rural users and providing fixed-line connections is too costly for governments.

Mobile versus fixed

Some believe that mobiles can replace fixed lines and are more appropriate for providing services to rural areas because of lower infrastructure costs and easier delivery. At present, costs of using mobiles are too high for most rural people but enthusiasts of technology argue that the cost of new technologies will eventually come down and meet rural needs. And many international development actors argue that market deregulation and competition will help bring down costs and close the communication gap between rural and urban communities.

But current trends show that providers tend to concentrate on urban markets, shying away from rural areas saying they are not profitable enough. Service providers in Uganda cite the lack of infrastructure, such as roads and power, insecurity and low effective demand for their failure to extend services to most rural areas.

The reasons for the increased use of mobile phones also include the low quality and unreliability of fixed-line services. In addition, pre-paid mobiles mean that many customers who would not otherwise be granted access to a phone if their credit status were checked first, are able to get connected.

Fixed line services are vital for development

These factors highlight the importance of mobiles phones in shaping Africa's communication revolution. Yet, for the over-24 million people waiting for fixed-line connections, mobiles are clearly not a substitute. This revolution should embrace all types of technologies if it is to reach out to the rural poor. The role of traditional phones is inextricably linked to the development process for many reasons.

Fixed-line telephones are still essential for higher data transmissions and other value added services such as Voice over Internet Telephony – a technology of the future. Africa's growing commercial internet cafes – often run by small entrepreneurs – are dependent on fixed-line services. True, new innovative wireless technologies are being tested but these are mostly piloted by development players.

One problem is that WTO rules discourage any form of subsidy in the telecommunications sector at a time when special attention is needed to develop rural communications infrastructure. The lack of subsidies means that the universal access principle – aiming to put a phone within reasonable access of everyone, something most governments are signed up to – is under threat.

An alternative to state subsidies is to collect a fixed percentage of revenues from all service providers, which could then be pooled into a rural communications development fund. Many African countries are, in principle, committed to such a fund. Some have even started to implement it, but the revenues they have collected are not enough to meet costs.

Debate is urgently needed

It is also worth noting that the communications environment means more than just telephones. Without basic infrastructure, such as readily available power, roads and transport, phones are hardly likely to bring the expected benefits.

Information on the latest market prices for fish is useless if you are unable to deliver your catch to the market in time. Dependable electricity, proper roads (only 39% of roads are in good condition in Africa), and an efficient postal service (telephone bills need to be sent somewhere) are important for the smooth running of telecommunications services. But allocating a physical or postal address to every household in villages will not be an easy task.

A debate on the issue of rural telecommunications and development, including how to fund universal access, is urgently needed.

Rural telephony hardly ever finds a place in the agendas of regional and international policy houses. Neither the declaration of the recent World Summit on the Information Society, nor the African regional initiative NEPAD, views rural communications infrastructure as a development tool or suggests measures to improve it. Growth in mobile numbers is certainly a progressive trend, but as long as the rural and poor are ignored, Africa's information revolution will remain incomplete.

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