Mobile in Africa: Insights from Research ICT

By Wikus Engelbrecht

20 Feb 2012

There are many statistics, research documents and reports on the growth and opportunities in mobile communications and marketing on the African continent. While those papers look grand and promising, what is the status of mobile use and adaptation to new mobile technologies among actual users, both in rural and urban environments?

Cape Town-based agency, the Research ICT Africa network (RIA) is spearheading on-the-ground research in 20 African countries to provide governments and private organisations with the information and analysis required to develop innovative and appropriate policies, effective implementation and successful operations that aim to bring about sustainable technological development.

I interviewed Dr Christoph Stork, senior researcher at RIA, to gain some key insights on Africa's mobile stance:

What is the correlation between economic growth in Africa and mobile phone penetration?
Dr Stork: Higher mobile phone penetration leads to more business opportunities and also to more efficient business processes, for distribution and procurement channels as well as for operations.

Both the formal and the informal economy benefit from affordable mobile telephony and wide coverage. Be it hair dressers, taxi drivers or labour lawyers, Africans across various businesses and industries profit from a boost in productivity through mobile technology.

What has Research ICT identified as the primary barriers to mobile internet use in Africa?
Dr Stork: Mobile internet access and more affordable prepaid Internet allow less affluent people to gain access to the internet. They can recharge airtime to use the internet whenever they have money available and use a device for internet access with which they are already familiar. Mobile phones require less capital to purchase and considerably less skill to operate than computers.

There is a clear trend towards cheaper smartphones and this will have an impact on mobile broadband penetration rates. However, there is still substantial progress to be made in reducing barriers to prepaid mobile broadband, ranging from lowering cost for usage, reducing taxation in countries such as Uganda and improving access in forms of 3G or 4G coverage.

What challenges should be addressed to propel the continent to progress substantially to better mobile penetration?

Dr Stork: One of the key issues in Africa is to make suitable spectrum available for mobile data. This requires more efficient use of spectrum currently awarded to operators and re-farming some of it.

Spectrum needed for the next generation mobile phone networks may partly come from the digital dividend - the spectrum that becomes available through the digital migration from analogue to digital TV. In other instances, spectrum needs to be taken back by the regulator and made available again for different use (re-farming).

Mobile adoption enhances rural entrepreneurship since it lowers costs of starting a business and can substitute travel needs. Can you give some examples of how smartphones are subduing the effects of infrastructure failures on African business activities?

Dr Stork: The best example is the spread of mobile money such as M-Pesa. It came about as a result of wide mobile phone use and insufficient and expensive banking services. It allows mobile phone users without a bank account to send or receive airtime at a fraction of the cost of Western Union or Moneygram.

Transfers of airtime can at a later stage be used to build up transaction histories and provide formal financial services such as loans and micro insurance to the unbanked. Mobipay, the first such initiative, is allowing financial services to farmers with record-keeping and improved access to credit in rural Kenya.

How are mobile social media applications helping reduce today's digital divide between the technological haves and have-nots?

Dr Stork: A significant part of Internet use is to create content through, for example, Youtube, Flickr, blogs, Facebook pages etc. User created content may be in any language, using any alphabet. This user driven content is a key driver of the mobile Internet adoption we are witnessing in Africa at the moment.

What should policy and interventions focus on to attract a wider user base and promote wider adoption of ICT and related skills in developing African nations?

Dr Stork: The key to get wider and more affordable access is fair competition. Regulators across Africa still have to remove several severe competitive bottle necks. Cost based termination rates and facility leasing, spectrum availability and service and technological neutral licensing are just some of the issues that need to be addressed.

ICT access and e-skills curriculum for schools are other very important areas where progress has to be made parallel to infrastructure rollout to better capitalize as a nation on the opportunities that ICT may provide.

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