Cell Phones:
A Path to African Economic and Political Independence?

by Jim Gorton

Recent articles in the *Economist Magazine*, March 10, 2005, and *eWeek.com*, June 29, 2005, suggest that the lowly cell phone may have powers well beyond their uses here — which seem to be primarily in distracting drivers and disrupting restaurants, concerts and church services. The *Economist* reports that research concerning cell phone usage in Africa and countries like Bangladesh indicate that cell phones are being used in many ways to foster prosperity unsuspected in the West.

As any economist knows, the cost of information is an enormous barrier to prosperity. Prior to the advent of cell phones, farmers in impoverished agricultural communities had no way of checking market prices other than to take their goods to market and get what they could. Information for them was relatively costly in terms of their time. Now through cell phones they can check prices throughout the region and get the best price for their commodities. Information has become cheaper and they have become more efficient and prosperous as a result.

Here, one cell phone typically serves one person. In the Third World, however, one phone may serve a whole village, the people of which pay to receive and send messages from it. At one stroke, the owner of the phone has a new source of income and a means to pay for the phone, and the village has valuable information to maximize its inhabitants' earnings, which otherwise would have been available, if at all, only by mail or through personal contact.

Most critically, cell phones appear to be more price-effective than competing information technologies. Unlike computer users, cell phone users in the Third World don't need dependable electrical supplies, just some means of recharging their phones, which may be by storage batteries. Neither do they need telephone or cable lines and the intricate infrastructure required to operate them. All that is needed is a network of easily deployed cell phone towers.

Finally, columnist Guy Kewney reports in his June 29 column in *eWeek.com* that a recent study suggests dictators don't survive in countries in which more than 20 percent of the population has secure phone communications. Taken together, the research reported in the *Economist* and *eWeek.com* suggest a bootstrap approach to eradicating poverty and ultimately dictatorships which deserves our serious attention. ○