



Mobile Phone and the Internet could Bridge the Digital Gap as Well as Empowering the Less:

A United Nations Conference on Trade and Development, (UNCTAD) report states that use of modern ICT gadgets like the mobile phones and net access are helping to narrow the digital bridge between the rich nations and emerging economies.

The study finds that mobile telephones and telecentres support livelihoods in developing countries. "A decline in the cost of information and communication technology (ICT) has extended its use by the poor, who capitalise especially on information obtained by telephone to support livelihoods in agriculture and various small businesses", the new UNCTAD report says. The Information Economy Report 2007-2008 (1), released early this year illustrates ICT contributions to poverty reduction by focusing on two examples: "The use of mobile telephones for conducting micro-business in Africa; and the creation of telecentres for the benefit of poor communities."

"Mobile telephony is rapidly progressing in the developing world. In Africa, there were 50 million new mobile subscribers in 2006, and in 2007 the total number of mobile subscriptions reached an estimated 200 million. This means an average of more than 20 active cell phones per 100 persons. Mobile telephony has practically replaced fixed lines in many countries." The reported noted that the flexibility and ease of mobile technology has led to its widespread use in business transactions, most particularly by very small firms or micro-businesses.

"Basic, up-to-date information on prices and the weather, for example, often was not easily available in the past in Africa and Asia. Farmers and fishermen in India and Senegal now use mobile phones to get information on the weather and market prices which have a practical effect on short-term decision-making, such as when and where to sell produce. Small farmers in Uganda share their knowledge about agricultural production, and micro-businesses in Kenya gain access to credit by using mobile phones."

"An advantage both for the poor and for the developing countries they live in is the relative lack of infrastructure required for mobile phone systems. Compared with fixed-line telephony, mobile networks can be quickly and fairly inexpensively provided, as they do not depend on the installation of physical cables. In addition, mobile telephony can be based on prepaid subscriptions which do not require credit screening and complicated accounting and billing systems. And the ability of mobile phones to send short text messages expands the range of cheap communication available to the poor." Rural areas continue to be less well served in Africa "Universal access to such phone service remains a challenge due to a lack of commercial distribution channels. High rates of poverty can make even less costly mobile phones too expensive, and low levels of education can make cell phone use difficult. One response to these challenges can come from government policies that encourage competition and investment in mobile telephony, that ensure a stable regulatory framework, and that take practical steps to spread ICT benefits to the poor," the report states.

Telecentres - namely, public facilities where people can communicate using phones, the Internet, and other forms of ICT, and where they can develop digital skills- have helped extend social and economic benefits to numerous poor. They are increasingly key programmes and policy instruments used by governments. Telecentres can support the livelihoods of the poverty-stricken by providing access to important information, by extending the development of technical and business skills, by giving better access to government services and to financial resources, and by aiding the activities of small entrepreneurs.

To understand how telecentres support livelihoods among the poor, UNCTAD surveyed a number of telecentre networks in Bangladesh and India. The survey assessed which services telecentres

are providing, who benefits from those services, and what are the key environmental and institutional factors that enable telecentres to help the poor raise living standards.

The results show that most telecentres are concentrating on providing access to ICT and on developing basic ICT skills. In line with the type of services offered, telecentres are primarily used for information and education purposes. However, this is not sufficient for supporting the livelihoods of people living in poverty. For instance, few telecentres provide specific training on the use of ICTs for the development of economic opportunities - such as e-business training - or provide training to support the development of business and/or occupational skills. Based on these findings, the report suggests that policy makers and managers of telecentres gear such institutions to provide better support to the livelihoods of the poor.

Among the study's recommendations are that governments promote relevant e-government content and services, support the development of e-business skills, and provide strategic financial support for telecentre networks. The report also recommends that managers of telecentres offer e-business skills training programmes; that they employ community "infomediaries" to help the less-skilled use ICT services effectively; and that they collaborate with other organisations that support economic activities, such as business associations and micro-credit institutions.

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