Seizing an opportunity – evidence for the use of cellphones in rural farming communities in Lesotho and lessons learned for the delivery of social protection

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Abstract

Social protection programmes are increasingly being developed as a sustainable form of poverty reduction throughout Africa, using mechanisms such as cash transfers to vulnerable people (e.g. social pensions, child grants and disability payments). Whilst there is growing evidence supporting the use of cash, ensuring effective delivery to beneficiaries in often remote and inaccessible areas can be problematic, prompting consideration of innovative delivery mechanisms such as the use of cellphones. High technology solutions are often criticised as being inappropriate for the vulnerable groups of the population targeted with cash transfers. This paper outlines the experience of a pilot project in Lesotho where cellphones were provided to people with similar profiles to the beneficiaries of cash transfer programmes - women’s farming groups. The results of evaluations undertaken in May 2007 and then January 2009 show that, contrary to the arguments against using cellphones to deliver cash transfers, even illiterate vulnerable people are able to actively embrace the technology, and their vulnerability is not increased by providing them with a valuable asset. Furthermore, access to technology provides a range of ancillary advantages. These women’s cooperative groups have greatly benefited from improved communications, both in terms of their farming activities and the reduced time and cost of staying in touch with each other. Through selling airtime by SMS they have also used them as effective income generating tools. It concludes that there is great potential for the use of mobile technology to deliver social protection, but that active partnerships between governments and private sector partners will be required.
Keywords: cellphones, Lesotho, communication, income-generation
1. Introduction

Predictable transfers of cash to vulnerable groups as a form of social protection are raising increasing interest amongst donors, NGOs and national governments in southern Africa, with a number of pilot projects and national programmes having been implemented (see table 1). Providing recipients with regular and predictable transfers of cash gives them the flexibility to plan their expenditure to meet immediate basic consumption needs as well as providing the opportunity for investment in productive activities. There is now a growing body of evidence to show that cash transfers are effective in ameliorating vulnerability and chronic poverty, and have wider positive impacts within recipient households and communities (Vincent and Cull, 2009).

Table 1: A selection of cash transfer programmes existing in southern Africa

<table>
<thead>
<tr>
<th>Country</th>
<th>National programmes</th>
<th>Pilot projects</th>
</tr>
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<tbody>
<tr>
<td>Botswana</td>
<td>Social pension, child grant</td>
<td></td>
</tr>
<tr>
<td>Lesotho</td>
<td>Social pension, disability grant, child grant</td>
<td>World Vision Emergency Cash and Food Transfers (2007)</td>
</tr>
<tr>
<td>Mauritius</td>
<td>Social pension, disability grant, child grant</td>
<td></td>
</tr>
<tr>
<td>Mozambique</td>
<td>Programa de subsidio de alimentos (food subsidy programme)</td>
<td>HelpAge cash transfers (2008-present)</td>
</tr>
<tr>
<td>Namibia</td>
<td>Social pension, disability grant, child grant</td>
<td>Basic Income Grant Coalition Basic Income Grant (2008-2010)</td>
</tr>
<tr>
<td>South Africa</td>
<td>Social pension, disability grant, child grant</td>
<td></td>
</tr>
<tr>
<td>Swaziland</td>
<td>Social pension</td>
<td>Save the Children Emergency Drought Response Cash Transfer (2007)</td>
</tr>
<tr>
<td>Zambia</td>
<td>(pension and poverty-targeted grant under discussion)</td>
<td>Government Social Cash Transfer in 5 districts, implemented by GTZ, CARE, (2007-present)</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td></td>
<td>Various projects under the Protracted Relief Programme phase 2</td>
</tr>
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</table>

Whilst there is growing evidence supporting the use of cash, ensuring effective delivery to recipients in often remote and inaccessible areas can be problematic. Cash transfers have typically been delivered through government departments and NGOs, often in conjunction with payment outlets such as post offices. But there are disadvantages of this mechanism for both the funders and the beneficiaries. Physical delivery of cash is expensive as the liquidity of the resource means it can easily be siphoned off when it passes through many hands on the way from funder to beneficiary. In addition to fraud and corruption is the risk of cash-in-transit heists. This can result in delivery costs representing a disproportionately high percentage of programme budgets. Identifying more effective delivery mechanisms is thus an important policy need.
Information and communication technologies offer new opportunities for delivering cash transfers. A variety of these innovative delivery mechanisms have been proposed and piloted to increase the effectiveness of such programmes in southern Africa. The costs and benefits depend upon specific local conditions such as rural infrastructure, the dispersion of recipients, the technological capabilities of recipients, and installation and operating costs. These technologies are aimed at reducing the risk to implementing agencies when transporting and distributing cash transfers, ensuring efficient distribution to recipients, and reducing the management load on donors and implementers. Relevant technologies include smart cards, mobile ATMs, GPS devices and biometrics. Given the rapid growth in their penetration and uptake in Africa (De Bruijn et al, 2009), cellphones are also lauded as a potential delivery mechanism. However, doubts are regularly expressed over the ability of vulnerable groups to handle the technology and the risk of increasing their vulnerability through providing them with a valuable asset. In order to try and address the validity of some of these concerns, the Regional Hunger and Vulnerability Programme (RHVP) undertook a small pilot project in Lesotho involving people with similar profiles to typical cash transfer beneficiaries. Evaluations were undertaken in May 2007, nine months into the project (Vincent and Freeland, 2008a) and then in January 2009, nearly 18 months on, in order to look at the opportunities and challenges.

2. Social protection: the emergence of the paradigm

Social protection has rapidly emerged as a dominant policy agenda in support of efforts to achieve sustainable poverty reduction in Africa, Asia and Latin America. Social protection is predicated upon the notion that poor people can be active agents in making the choices necessary to improve their wellbeing when given the chance. This marks a paradigm shift within development discourses.

The traditional development discourse is based on the idea that the poor are the problem. Under neo-liberal ideologies and the Washington Consensus, it was believed that development would be brought about by economic growth at a macro-level, which would in turn trickle down to the poor at the grassroots, thereby reducing poverty. Macro-level economic growth was promoted by the lending policies of multilateral institutions such as the World Bank and International Monetary Fund, with donors providing emergency assistance to the poor in the case of crisis. However, after many years the persistently high statistics of chronic poverty in Africa show that the model is not working, and thus prompted a re-think towards pro-poor development (Serra and Stiglitz, 2008).

1 RHVP is a regional programme for southern Africa funded by UKAid from the British Department for International Development and AusAID (the Australian Government’s overseas aid program) that seeks to address the problem of chronic vulnerability in the region by promoting a shift from reactive emergency food aid to longer term institutionalised social protection using innovative approaches. In the first phase of the programme (2005-08) RHVP focused on the six countries most acutely affected by the 2002-03 food crisis, namely Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe. In the second phase of the programme (2008-10) the geographical focus has been expanded to cover all fourteen Southern African Development Community member countries.
Pro-poor development recognises that macro-level economic growth does not necessarily filter down to the poorest at the grassroots, and instead advocates initiatives that are specifically targeted at this level. Fundamentally this represents a shift in paradigm: from viewing the poor as a problem to the solution. This approach has been widely adopted across the world, for example by 2006 Nobel Peace Prize winner Mohammed Yunus through his microfinance organisation, Grameen, in Bangladesh. Under this paradigm it is recognised that if comprehensive social protection is provided to the poor it will help to generate economic growth at the grassroots level, in turn reducing poverty (and in turn the cost of providing the social protection). In addition, by attempting to address the causes of chronic vulnerability, social protection reduces the occurrence of crisis situations where reactive emergency aid is required from donors.

Social protection can be defined as all initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of socially excluded and marginalised people (Devereux and Sabates-Wheeler, 2007). This broad definition allows for the fact that different categories of people require different forms of social protection. Among those requiring social protection are the chronically poor, including rural landless and orphans; those who are economically at risk, such as people living with HIV and AIDS, internally displaced persons and refugees; and the socially vulnerable, including ethnic minorities, people living with disabilities, and child-headed households. But to protect their livelihoods each of these groups needs different forms of social protection: social transfers (e.g. disability or child grants), social services (home-based care, education, healthcare), and social transformation (broader policy and legislation changes to ensure rights to vulnerable groups). The more typical notion of social insurance, including contributory pensions and maternity leave, are also encompassed within the notion of social protection, although clearly only available to those able to pay.

Arguably the area of social protection that is most immediately relevant to pro-poor development is social transfers. Social transfers are non-contributory, predictable and on budget transfers to recipients. They can take various forms: cash, vouchers, food, agricultural inputs, medicines, and school fee or health care waivers. There are already a number of cash transfer programmes in operation in southern Africa (see table 1): for example Swaziland and Lesotho have non-contributory social pension schemes that provide cash transfers to elderly citizens; Malawi has an input subsidy programme that provides subsidised fertiliser and seed to vulnerable but viable farmers; and Zimbabwe has a Basic Education Assistance Module that provides school fee waivers\(^2\). Many countries also provide antiretrovirals (ARVs) to people living with HIV and AIDS. Particular attention has been paid to the role of cash transfers in promoting pro-poor development.

3. Cash transfers as a form of social protection

\(^2\) For more information on these and a range of other social transfer programmes operating in southern Africa see http://www.wahenga.net/index.php/evidence/case_study_briefs/
Predictable transfers of cash to vulnerable groups are raising increasing interest amongst donors, NGOs and national governments in southern Africa, with a number of pilot projects and national programmes having been implemented (for more information see www.wahenga.net). Providing recipients with regular and predictable transfers of cash gives them the flexibility to plan their expenditure to meet immediate basic consumption needs as well as providing the opportunity for investment in productive activities. There is now a growing body of evidence to show that cash transfers are effective in ameliorating vulnerability and chronic poverty (Barrientos and DeJong, 2006; Farrington and Slater, 2006), and have wider positive impacts within recipient households and communities (Davies and Davey, 2007).

The impact of cash transfers begins with the recipient, and then expands to the household, wider community, and eventually the country, meaning that many more people can actually be said to be beneficiaries of cash transfers than just those people who receive them. It is possible to summarise these impacts at various levels (Vincent and Cull, 2009). At the micro-level, cash transfers promote self-esteem, status and empowerment amongst vulnerable people, enabling them to be active members of their households and communities, rather than burdens. A Lesotho pensioner describes “before we were treated as if we were dead. Now people respect me” (Save the Children UK/HelpAge International/IDS, 2005). Similarly, a male disability grant recipient in Langa, South Africa explains “this disability grant is very helpful because I can buy food and medicines if necessary. I also became a decent person – I now have insurance and accounts” (Surender et al, 2007).

At the level of the household, there is plentiful evidence to show that cash transfers improve food security and nutrition. Typically a large proportion of a cash transfer is spent on food: the evaluation of Malawi’s Food And Cash Transfers (FACT) showed that 75.5% of the transfer was typically spent on groceries (Devereux et al, 2006). In Lesotho the number of old age pensioners reporting that they never went hungry increased from 19% before the pension to 48% after it was introduced (Croome and Nyanguru, 2007). As well as increasing the volume of food available, cash transfers lead to an increase in the variety of foods consumed within the household: in Zambia 12% more households consumed proteins every day and 35% consumed oil every day if they received a transfer, compared with those households that didn’t (MCDSS/GTZ, 2007). But in addition to this, there is morphometric data to show that receipt of the child support grant in South Africa increases the height of children who receive it by 3.5cm if it is received in their first year and for two of the first three years, and the old age pension increases the height of girls in the household by over 2cm (Aguero et al, 2007). There are gendered differences in the sharing of pensions (Burns et al, 2005), with a greater proportion of women’s pensions being spent on food (Case and Deaton, 1998), and women’s pensions showing particular improvement in the height and weight of girls (Duflo, 2003).

But household benefits are not limited to food security and nutrition. There is also evidence to show that receiving a cash transfer improves access to healthcare and education. Whilst improved nutritional status assists improved health status of household members, cash transferred to households allows recipients to afford treatment. In Zambia,
for example, incidence of illnesses reduced from 42.8% to 35%; and incidence of partial
sightedness reduced from 7.2% to 3.3%, potentially due to the fact that beneficiary
households could afford minor eye surgery (MCDSS/GTZ, 2007). Cash transfers also
play an important role in access to education, both by providing households with the
means to pay school fees, but also to purchase peripheral requirements associated with
attending school, such as uniforms, books and stationery. Education is accepted as a
critical means of reducing inter-generational poverty and promoting development. In
Namibia, interviews with a grade 12 class found that participation of 14 out of 16 learners
was solely due to their grandparents receiving a pension (Devereux, 2001). Using data
from the national household survey in 2000 in South Africa, models show that household
receipt of an old age pension is associated with a 20% to 25% reduction in the school
non-attendance gap, and receipt of a child support grant is associated with a 25%

Receipt of cash transfers also provides small amounts of capital for investment in
productive activities, giving recipients the opportunity to not only protect but also
improve their economic well-being. In the Kalomo social cash transfer scheme in Zambia
29% of transferred income with invested, either in purchases of livestock, farming inputs,
or informal enterprise (MCDSS/PWAS/GTZ, 2005). A recipient of the child support
grant in Mdantsane, South Africa explains “I sell sweets and biscuits so that I don’t run
out of paraffin. I buy them from the child support grant money. I do this so that when the
child support grant runs out, we are not in darkness” (Surender et al, 2007).

The net effect of these individual and household benefits is a decrease in poverty. At its
most rudimentary this is measured in reductions in the poverty headcount: in South
Africa, for example, this would be 5% higher without the old age pension (40%
compared with 35%) (Case and Deaton, 1998). Similarly in Mozambique the GAPVU
cash transfer programme was estimated to have contributed to a reduction in headcount
poverty by 6%, and reductions in the poverty gap and poverty severity by 27% and 44%
respectively (Datt et al, 1997). All of this evidence suggests that cash transfers have a
positive role to play in development.

4. Delivering cash transfers: what role for cellphones?
Despite the positive evidence for the impact of cash transfers, there are difficulties with
delivering this mechanism of social protection. Vulnerable people are often
disproportionately concentrated in remote and inaccessible areas, and getting cash to the
recipients can be challenging, especially in poor countries with weak administrative
capacities and severe deficits in rural infrastructure. Cash transfers have traditionally
been delivered through a pull mechanism, where recipients are “pulled” to a set location –
typically a government office or payment outlet such as a post office – at a set time to
collect their transfer. But the liquidity of cash compared with other transfers, such as
agricultural inputs or food, means that the resource can easily be used by anyone, and
thus there is high risk of loss throughout the process of delivery, adding to costs. Staff
costs, either from employing new personnel or the opportunity costs of diverting existing
staff from their routine tasks, are high, and there are further ‘leakages’ and risks through
‘cash in transit’ heists and corruption (see, for example, Vincent and Freeland, 2008b).
This can result in delivery costs representing a disproportionately high percentage of programme budgets. Identifying more effective delivery mechanisms is thus an important policy need.

Information and communication technologies offer new opportunities for delivering social protection (Devereux and Vincent, forthcoming). A variety of such innovative delivery mechanisms have been proposed and piloted to increase the effectiveness of cash transfer programmes in southern Africa. The costs and benefits depend upon specific local conditions such as rural infrastructure, population density (or conversely, the dispersion of recipients), the technological capabilities of recipients, and installation and operating costs. These technologies are aimed at reducing the risk to implementing agencies when transporting and distributing transfers, ensuring efficient distribution to recipients, and reducing the management load on donors and implementers. Relevant technologies include smart cards, mobile ATMs, GPS devices and biometrics.

Cellphones also offer a useful mechanism for delivering social protection. A number of highly publicised schemes have recently begun which use cellphones to transfer cash from user to user. The M-PESA scheme in Kenya, for example, run by Vodafone (in conjunction with local operator Safaricom) registered 111,000 users within the first three months, and transferred nearly US$6million, with an average transaction value of US$45. Zain (formerly Celtel) has also recently launched similar cash transfer services across the fourteen countries it covers in Africa. Cellphones have not yet been trialled as a delivery mechanism for social protection, but they clearly offer lots of potential and have been mooted as a more innovative mechanism than smartcards (Pearson and Kilfoil, 2007).

5. Pilot project in Lesotho
In 2006 ten cellphones were distributed amongst three women’s farming groups in different agro-ecological zones in Lesotho: one went to a chicken farming group in Maliele (St Michael’s) (the lowlands); four went to a pig farming group in Nyakosoba (in the foothills); and five went to a seed potato and vegetable farming group in Semonkong (the highlands).

The cellphones were Siemens handsets and training was provided by the Maseru-based provider (Vodacom Lesotho). Recognising the lack of exposure to mobile telephony amongst the target users, joint monitoring committees were established, comprising a teacher in the community and a young student, together with the members of each farming group. This need for social support networks has been shown elsewhere (e.g. with the introduction of technology into schools in Egypt – Warshauer, 2003). As it is beyond the scope of RHVP to provide a regular cash transfer, each handset was preloaded with ZAR500 (approx $40) of airtime, and the intention was that the recipients would use ZAR100 of this for group communication, and then sell the remaining ZAR400 (as airtime or SMS) to other community members, such that the enterprise becomes self sustaining.

6. Results
The follow-up evaluation highlighted many benefits offered by the provision of cellphones to the three co-operatives. The most overwhelming advantage relates to how an increase in communication led to a drop in travel times experienced by the women in the farming groups. Lesotho is a mountainous country and outside of the capital, Maseru, transport infrastructure can be poor, meaning that disproportionately long times are often spent travelling short distances. Even within the cooperative, internal communications were arduous. Often letters detailing monthly meetings had to be personally delivered and in the lowlands cooperative, for instance, the distance between groups can be up to 200km which meant an 16 hour round trip by taxi costing ZAR130 (approx $13) and necessitating an overnight stay,

As well as being more economical through reducing transport costs, the availability of cellphones has also improved the productivity and marketing successes of the cooperative groups. In the highland location of Semonkong, for example, women would typically have to make a long and difficult journey hour to the Bishop Allard Vocational School where impromptu meetings were held concerning the marketing of produce. After cellphones had been distributed, it was possible for the women to call ahead to the market and obtain pricing information, and then to communicate with each other, removing the need for physical travel. In one case, those in Nyakosoba had a surplus of beans, and were able to successfully market them through having access to cellphones. The different groups have also been able to make better use of product exchange, building on their geographical advantages: such that in the last year those in the lowlands could swap maize for wheat from the highlands.

General improved connectivity has also helped the cooperative groups to increase their social capital in terms of access to networks and expertise. They are now in close communication with the Lesotho Ministry of Agriculture, and have also become a member of the Participatory Ecological Land Use Management (PELUM) network. Through these connections they hear about agricultural shows and exhibitions which they can enter; and cellphones allow them to coordinate among themselves to best represent themselves – and they have recently won many trophies for produce because of this. The weekend after the evaluation the dairy farming group (in the lowlands) were planning to visit a Jersey cow farmer in Ladybrand, South Africa, with a view to buying breeding stock – this is an opportunity that they would have been unlikely to hear about or organize beforehand.

As well as the advantages that come from improved communications, an unexpected bonus is that the cooperatives have been very successful in using the cellphones as income-generating tools. Since Vodacom Lesotho enabled the network facility to transfer airtime from one cellphone to another, the cooperative members purchase airtime at a discount and then sell it on at the retail price to other members of their community, thus making a small profit on every sale. As soon as the cooperative in the lowlands had made ZAR1000, they purchased four more cellphones and distributed them amongst their groups: there are seven groups in the lowlands cooperative and their ultimate aim is for each group to have five cellphones. With the next round of profits the lowlands cooperative purchased two piglets which they fattened up and slaughtered, thus further
generating income through the sale of the meat. This money was invested in a stokvel (savings wheel) for the farming groups, the profits of which enabled a further group to be formed. The lowlands cooperatives next plan is to buy a breeding pair of Duroc pigs which they will hire out to local pig farmers for a small fee and in that way generate further income for the cooperative. With income generated both from airtime sales, and then indirectly through further income generation activities, they have also raised money for training: four students attended a Ministry of Trade and Industry, Marketing and Cooperatives conference held in Maseru.

One of the Semonkong groups reported similar success with income generation through their cellphone. Due to its highland location, Semonkong is a popular tourist destination. When the group had made ZAR1000 in profit they loaned this to a community member who was setting up a guesthouse, to enable her to purchase linen. She will pay this money back to the group with 5% interest. It is intended that further profits will also be invested in tourist-related small businesses.

In addition to communication and income generation advantages, the availability of cellphones has had some other important, and perhaps unanticipated, benefits for the farming groups. The headteacher at the Bishop Allard Vocational School, where the groups from the lowlands and foothills meet, explained how farmers now have much more confidence, both personally and in their farming ability – “cellphones have enlightened us”. In Semonkong, which is much more remote and has high illiteracy, the chieftainess reported that members of her community have learned basic English and mathematical literacy through using the phones – they know how to do sums (to work out how much airtime they have used), and understand the instructions on the phone. This completely dispels the oft-cited argument that illiterate rural people will be unable to embrace cellphones.

The provision of a valuable commodity to vulnerable groups has raised concerns that it would inadvertently increase the vulnerability of the recipients. Although there had been no incidents of cellphone theft amongst the recipients, the women were all familiar with incidences of cellphone theft within their social circles, with one lady explaining how her daughter’s phone had been stolen at a party attended only by family and friends. Electricity availability for battery charging was problematic, particularly for the highlands groups, where mainline electricity is only available in Semonkong town. Farmers in this community have to travel 20km to get here – but tend to send their phones for recharging (at nominal cost) with anyone who is going to town. However, other options are now available at fairly low cost, including car batteries and solar chargers, which would be an ideal solution to this problem for each community as well as providing a further income-generating opportunity for small businesses.

7. Conclusion
This pilot project was very small scale and only reflects true social protection programmes in a very limited way: however it does offer valuable lessons on the provision of cellphones to vulnerable groups similar in profile to social protection beneficiaries, and the potential for their use in delivering cash transfers. As well as
actively embracing the technology, even when illiterate, the ancillary benefits of providing cellphones, in terms of improved communications, are clear, and link mobile telephony to wider development impacts. The challenges of using cellphones to deliver social transfers, in terms of impeded technological capacity of recipients, and risk of increasing their vulnerability through theft remain.

RHVP has used the information generated by this small pilot in Lesotho to inform the studies on innovative delivery systems for social transfers that it has subsequently undertaken for Governments in southern Africa. Swaziland, for example, had a high profile political crisis concerning the delivery of its national non-contributory social pension, known as the Old Age Grant. Introduced in 2004, Swazi Post and Telecommunications initially took responsibility for disbursing payments through its post office branches, but suffered from administrative problems resulting in delayed payments. Parliamentarians took up the cause in government, and eventually the whole of cabinet was recessed until an effective solution was found, which ended up being government taking back responsibility for delivery through the Department of Social Welfare. As this was not a sustainable solution in the long term, given resource constraints, the government then put out a tender for a private sector partner to participate in delivery, and considered the use of innovative technologies such as cellphones.

Similarly in Malawi interest in a potential social pension prompted a feasibility study to be undertaken, which included provision and costing of potential innovative delivery, including the use of cellphones; and in Mozambique the Ministry for Women and Social Action is currently looking to expand its Programa de Subsidio de Alimentos (Food Subsidy Programme, which is actually a cash transfer to vulnerable groups), and is also considering the use of cellphones for delivery, amongst other options.

In this pilot project the initial capital costs were covered by RHVP, whereas in a pilot or national social protection programme there would clearly need to be some provision to procure and distribute handsets to those programme recipients who are not already in possession of them. Clearly this could be a costly procedure: although retail prices of cellphones are now falling, and new and modern handsets are available in many southern African countries for less than $20 apiece. The potential savings through reduced costs (administration and leakage) of each transfer would be likely to offset this, although to provide this evidence is a catch-22 situation: project implementers are unlikely to trial cellphones as a mechanism of delivery until there is such evidence, yet until trials take place there will be no such evidence.

There is also considerable scope for imaginative partnerships between Government and private sector: the readiness of Vodacom Lesotho to support this pilot testifies that there is untapped enthusiasm for mobile telephony service providers to be partners in delivering public services and transfers. Likewise the preliminary studies in Swaziland, Malawi and Mozambique have shown cellphone operators to be enthusiastic about the potential of partnership: they see the commercial advantages of increased markets and further increases in coverage – while at the same time appreciating the public relations
benefits in terms of corporate social responsibility and progress towards universal service obligations.

Indeed, there might even be potential for the GSM operators to turn this situation to their advantage. In Africa, mobile handsets and airtime are often heavily taxed as a luxury, and national governments frequently impose extra demands on operators in terms of their corporate social responsibility and universal service obligations. How much better would it be for the operators to free themselves of this burden, by acting in enlightened self-interest, and taking the opportunity to establish public-private partnerships with governments to manage a national social fund (part of which could be funded direct through – reduced – taxation on mobile phone usage), and then to deliver social transfers through their own networks on behalf of governments. In fact, a similar idea could even be taken to international scale: in the same vein as earlier proposals for taxes on globalisation, such as the “Tobin” tax on cross-border currency trading, or the more recently-proposed Currency Transaction Tax (0.005% on every foreign currency transaction, which it is estimated could generate $30 billion a year for development), GSM operators in the North could impose a “social tax” on mobile telephony. With estimated annual revenues of over $900 billion, a 3% tax could match the CTT’s $30 billion annually, which could be distributed as social transfers, again through the cellular networks, in the poorer countries of the South. On this basis, the term “GSM”, which many people in Africa already assume to stand for “God Sends Mobiles”, could eventually come to designate the operators’ role as “Global Social Moderators”!

8. Going forward in Lesotho

Each of the groups has future plans which will be enabled by their newfound communications capability. The cost of calling from cellphones is relatively expensive, and so each community would like a community phone, which is provided by the network provider but has call costs that are comparable to a landline, as opposed to a cellphone. The Bishop Allard Vocational School is already active in training and is planning to capitalise on newfound access to communications by acting as a “clearing house” of information and ensuring that it is disseminated on a regular (weekly) basis through a radio programme. Now that the network has been upgraded to be 3G compatible, the logical next step would be to provide laptops to each group to enable them to expand the quantity of information that they can transmit, using e-mail. By recording training, this would also enable a greater number of people to benefit from the technical assistance that Bishop Allard Vocational School makes available.

References


