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Key Points

Falch and Anyimadu believe that a strong telecommunication infrastructure is essential in attracting foreign investment and in becoming competitive in the world economy. The pair acknowledges that it is difficult to do a cost-benefit analysis to determine value of such an infrastructure but advises developing countries to proceed with ICT work in order to avoid being left behind (22). The authors are optimistic despite the current low landline density in sub-Saharan Africa due to 1) the decreasing costs of telecommunication services and equipment, and 2) the low-cost communication and dissemination techniques possible through the WWW and email.

They argue that the economic and cultural development enabled by ICTs is justification to strive for universal access. They explain, "Universal access does not necessarily imply a telephone line for every household. Universal access can be defined as a telephone available within 20 km (as achieved in Burkina Faso), within a travelling distance of 30 min (as proposed in South Africa) or, as has been achieved in Ghana, a telephone in every locality of more than 500 people (ITU, 1998)" (22).

The authors define telecenters as "centres that supply one or more tele-based services to the local community, and thereby contribute to cultural or economic development" (24). They present several models for telecenters depending on the goal:

1. Goal: prevent outward migration to urban areas.

Model: Provide ICT facilities and teach IT literacy in rural areas (Scandinavia, Hungary) (22)

Model: offering additional non-IT services (e.g. newspaper, career counseling) (Hungary, Estonia, Australia, Benin, Mali, Tanzania, Surinam) (22, 23)

2. Goal: Create job opportunities, no larger goal of regional development

Model: Private ICT facilities, which offer IT services to customers at market rate (22)

3. Goal: Provide IT services to telecommuters

Model: Telecenters that license space to firms rather than individuals (UK, France, US) (22)

4. Goal: regional development in urban areas

Model: Private entrepreneur owned telecenters, which offer basic telecommunication services to residential consumers (Ghana) (24)

The article focuses on the use of and demand for ICT within Ghana. One of the most striking findings was, "Ghana Telecom has a waiting list of around 50,000 and in addition to this, there is also a suppressed demand from people who have given up applying for a phone either because of the long waiting list or because they live outside the reach of the national grid." (26) Tables 2 and 3 provide examples of the type of access and geographic distribution of the current access. There is little equipment required in order to setup a telecenter: "In Accra the standard equipment for a tele-centre is two telephone lines, two phones, a fax, a photocopier and one or two computers" (30) Table 5 offers a nice overview of the productivity of telecenters by region in Ghana – surprisingly Kumasi (the second largest city) had more than Accra (30). Although the average telecenter employs 2 -3 people, most telecenter employees are male. (Table 8, page 32). Section 7 provides an overview of the economic and cultural development goals of many telecenters, but does not provide much evaluation on whether these goals are being met.

Connection to Other Readings

In the class before break, we discussed the causes of the gap between high penetration rates of mobile phones and the low penetration rates of landlines, especially in South Africa. This article is now seven years old. Although mobile phones existed then, they were much less common in both developed and developing countries. Last week, our class debated whether landline penetration still matters and the conclusion seemed to be that it is still important though less so considering the mobile alternatives.

The variations in the models of telecenters – especially the ones that offer non-IT services – remind me of the similar variations among microfinance institutions (MFIs). I think that that's a common trend in development; it's very logical considering the low marginal cost of adding an additional service on your already have a client base and a central location. There is a danger of over-diversifying a MFI's or a telecenter's activities beyond their capacity (e.g. staff expertise).