



Upwardly mobile

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Any day now the two billionth mobile phone will be switched on. In a generation, mobile phones have gone from being yuppie playthings to mass-market consumer toys, yet the mobile phone revolution is far from over.

In many parts of the world, mobile phones aren't a convenient alternative to landlines but the only means of communication: they provide connectivity where there was none before.

In Africa, to take the obvious example, mobile phones mean real change. By any development measure, Congo is a pretty poor place. Yet it is heading towards two million mobile users: one network has 850,000 subscribers. Subscriber growth in several sub-Saharan African nations was more than 150% last year, and there are eight mobile phones for every 100 people in Africa, up from three in 2001.

The vast growth in mobile phone usage has had an interesting knock-on to other kinds of transaction that we take for granted. Look at payments. If you live in rural Africa, your payment options are pretty limited and so, therefore, is your participation in the wider economy. If you don't live within a hundred miles of a bank, don't have a cheque book and have never even seen a credit card or a PC, then how do you send money (perhaps for goods you want from a market) to someone else?

In that environment, mobile phones provide an easy and convenient mechanism: you buy a scratch card, scratch off the panel to get the voucher number and then text that number to your counterparty. Voila! You've now sent \$20, or whatever, a few hundred miles across the country for the price of a text message. And the person you sent it to can start using it right away. Try using your UK internet bank account to send £20 from London to Edinburgh: if you're lucky it will take three days.

One of the definitions of a currency is that it can be used to pay taxes. Obviously, "taxes" has a broader definition in some parts of the world than here in the UK. But let's run with that definition. In some parts of Africa, mobile phone scratch cards have become an acceptable means of exchange for bribing officials. That makes scratch cards or, more particularly, the pre-paid airtime that they give access to, a kind of currency.

According to the Economist, not only can you use pre-paid airtime to pay bribes but you can use it to pay bribes remotely. It gives the example of an office worker whose daughter had been detained in immigration. She bought a scratch card and sent the voucher number to the relevant official, avoiding the trouble of having to collect up the cash and go to the airport: thereby saving time and money.

This anecdote supports a long held suspicion of mine that connectivity could become a currency as we move forward into an online world. We're probably already at the point where fining errant teenagers mobile phone minutes instead of money would be a more effective sanction, and as connectivity becomes ever more critical it's only a matter of time before that idea appears in a government green paper.

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