

Abstract for the IPID – Conference in Joensuu, Finland 2008

Niels Peter Nielsen, PhD-Candidate, Royal Holloway College,
University of London

Position: 1st year part-time PhD-candidate.

Address:

58 Cleveleys Road

London E5 9JN

Email: n.p.nielsen@rhul.ac.uk

Mobile Technology in African Rural Development

Introduction

Communication is at the heart of development, which means it is central to progress in society's socio-economic progress. Information is vital for exchange and this applies to the market place as well as to the political and social arena. Especially mobile telephony is increasingly available in Africa, whose social aspects are of interest.

Theoretical framework

The social world is more path-dependent than classic supply-and-demand economics suggest. Social exchange takes place within social institutions that provide 'the rule of the game' as to how the organisations participating in the game are allowed to act. In other words they provide the incentive structure for goal-oriented behaviour.

Joseph E. Stiglitz has investigated the economic aspect of rural institutions. His main argument is that institutions in general, and sharecropping in particular, are based on the fact that information is expensive and that through institutions information costs in the form of transaction costs are reduced.

The other dimension of institutions, their conflict solving potential, has been underlined by the work of Jürgen Habermas. He shows how institutions are fundamentally dependent on communication and the collective agreement to 'follow the rules'. If the rules are not collectively agreed upon, institutions are reshaped.

Both theorists agree that institutions are needed. However, the first one sees institutions from the outside and solely dependent on change in transaction costs, whereas the second one has his emphasis on the constitution and legitimacy of institutions.

Key issues

The focus of the study is the investigation of agricultural sales and credit markets. How are they structure and does access to information through mobile technologies restructure these institutions?