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As you are no doubt aware, mobile or cellular telephones are having a tremendous impact in the developing world. In many cases mobile phones are the first forms telecommunications to reach these areas. Before these forms of communication, information traveled at human speed. In many of these areas, this was quite slow, as the transportation infrastructure is not very robust.

The new information makes it easier for the rural poor to do business, because information on prices can spread quickly and efficiently. New services built on mobile phones, such as mobile payment, make it easier for the rural poor to become entrepreneurs. A recent study quoted in The Economist, found that for every 10 mobile phones per 100 people, GDP rises .8% per person. Very few other technologies have had that kind of impact on growth.[[1]](#footnote-1) Thus, it is not surprising that household spending on mobile phones in the developing world is growing faster than anything else, including energy.

Luckily, this seems to be one area where the poor are funding their own development, and not relying on outside grants from other nations. Local based carriers are even leading the market in many of these countries. I’m sure you will agree that this is the most sustainable form of development.

Mobile payments are one novel use of mobile phones. In fact, we are seeing them first in the developing world, where other electronic payment methods do not exist. The developing world is leapfrogging us, because they have no existing infrastructure to replace. Mobile payments could bring more customers to the banking industry and allow for more seamless payments for goods and services, further lowering transaction costs.

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1. http://www.economist.com/node/14483896 [↑](#footnote-ref-1)