Kenya's innovative techies find low-cost local solutions

JAMES REINL ARTICLE (January 07, 2013) : Kenya's smallholder farmers used to be at the mercy of middle-men traders, who would turn up at their rural districts and haggle down the prices of avocados, mangoes and other tropical cash crops. However, a new tool is putting information at their fingertips, making them more formidable negotiators. By sending simple text messages from a mobile phone, farmers can now access the latest price data for their wares and ward off bids they know are too low. Called M-Farm, the system is one of dozens of innovations to come out of Nairobi's technology hub in recent years, aiming to solve local problems via the country's growing mobile phone networks. "It's simple, it's effective and it has changed the way our 6,000 subscribers do business," M-Farm programmer Isaak Mogetutu told dpa. "One group of farmers in Naivasha sold snow peas for as little as 30 Kenyan shillings (3.5 cents) per kilo. We came on the market and linked them to a buyer who pays 90 per kilo. That's a massive increase in their return." Residents of Naivasha, a small market town north-west of Nairobi, are almost entirely dependent on agriculture for their income. Farmers can also pool crops to produce more profitable bulk sales in a system that aims to gain 10,000 users by next year and eventually become a continent-wide exchange. It turns a profit by taking a small cut from sales. The headquarters is a cramped office alongside western Nairobi's traffic-clogged Ngong Road, an area dubbed Silicon Savannah. Young African and Western programmers, entrepreneurs and bloggers mix at venues such as iHub, Nailab, and 88mph Garage, brainstorming ideas, sipping lattes or unwinding by playing a game of foosball. Other innovations include iCow, which provides farmers with text-message advice on rearing dairy herds, and MPrep, which helps schoolchildren study for exams by taking quizzes on mobile devices. Some Nairobi-based innovators use the internet or smartphones to launch applications, but the main focus remains on simple 'dumb-phone' systems reliant on SMS. More than three-quarters of the population has a mobile phone, mostly without web access. M-Pesa, a jewel in the crown of Silicon Savannah, changed the lives of millions of Kenyans since it launched in 2007 by allowing users to transfer money between mobile phones just by tapping a few buttons on their handset. "It just made life so much easier," says tech blogger Kennedy Kachwanya. "Sending money from Nairobi to your mum in rural Kenya used to involve putting an envelope of cash on a bus. It took ages and was risky. Now you just pick up your phone and mum has the money right away." A study by the International Monetary Fund last year found that more than 70 per cent of Kenyan adults use M-Pesa. It processes more transactions within Kenya than Western Union does around the world. Eric Hersman, co-founder of iHub, a venue where freelancers can rent a workspace, said Nairobi's geographic location, entrepreneurial spirit and relatively fast internet connections have made it an attractive African base for computing giants such as IBM, Google, Intel and Microsoft. "Africa is the last blue ocean for technology," he told dpa. "The cost of devices and data is coming down, while the population is getting more disposable income. Big multinationals look at Africa and see a billion people coming online and think 'these are users we can sell to.'" But Mbwana Alliy, an investor in technology through the six-month-old Savannah Fund, remains cautious, warning that more recent apps have not replicated the runaway success of M-Pesa. "I'm betting on e-commerce," he said. "There is no Amazon of Africa yet, but it has to be here. It's the natural progression of shopping. Why spend all day in Nairobi traffic going to a mall to buy something that you could have delivered?" ***Copyright Deutsche Presse-Agentur, 2013***