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# Hope at the bottom of the pyramid



By Grace Segrán

**In Brazil, one very active social entrepreneur uses technology to cross more than just the digital divide between rich and poor.**

Rodrigo Baggio grew up in middle-class Rio de Janeiro. His love of computers started when he first encountered them at age 11 in the firm where his father headed the department of information management. When he was 12, Baggio met the founder of Brazil's first project to help street children and ever since then, has been inspired to help the poor. He soon realised that the young people growing up in the favelas on the hills overlooking his neighborhood had no access to the digital world. So he decided to take on the digital divide, and a new business was born.

The Center for Digital Inclusion (CDI) has seen remarkable results since Baggio founded it 16 years ago. What began as a small community centre in Brazil has grown to be a large social enterprise in 13 countries, with 32 regional offices and 180 employees. Today, the centre offers courses in information technology and active citizenship to people from low-income neighbourhoods. Nearly 90,000 students have graduated from this course and they, in turn, have transformed their communities. Through the work of

the CDI, there are now 250,000 new users of internet-based services in the poorest parts of Brazil.

## **Connections between people**

Baggio spoke with INSEAD Knowledge at the InnovaLatino Conference in Madrid recently. He explained why technology is so important in the lives of the poor: "People at the base of the pyramid are left out of all the amazing things that are happening in the 'knowledge society'," he said. "Our goal is to start connections between these people and this new society."

Baggio is not just interested in giving poor communities computers and the internet. He believes it is important to offer the underprivileged a high quality of digital access. This means, for instance, teaching the poor how to participate in cyberspace rather than being mere observers. Baggio says this involves teaching them to, "use technology and the internet to produce and publish content and knowledge."

## **The business model**

He firmly believes in creating long-term sustainable solutions for these communities. To him, this means not giving handouts, but rather asking students to invest in their own futures. While the CDI is funded through external donations from companies and foundations, students are also required to make a small symbolic contribution to their education.

Baggio would also like the CDI, as an organisation, to be as self-sustaining as possible. To this end, he has set up CDI internet cafés in Brazil. "We affiliate 5,500 community internet cafés as a channel to the base of the pyramid," he says. Over 1.7 million people visit these cafés every month. This serves the related functions of exposing those in poor communities to technology and generating income for the CDI.

In addition, CDI has a consulting wing which is hired by companies interested in developing their own social businesses and improving their base of pyramid strategies. These two CDI businesses - the cafés and the consulting - contribute to what Baggio describes as the "digital inclusion eco-system".

## **Government's role**

Baggio has found it difficult to work with the government on these projects. “The fact is that working with companies, foundations and other NGOs is easier in terms of the quality, focus and results,” he says. Baggio is certainly invested in changing public policy towards greater digital inclusion. However, he says that discussions with the government about public policy have focused on numbers rather than the quality of the programmes under question.

“It is really a challenge working with governments,” he opines. “That is something we need to change because governments need to work closely with social entrepreneurs. Social entrepreneurs are amazing innovators at the grassroots level and in many different fields. Social entrepreneurs should be amazing partners for governments and we need to stimulate that kind of relationship.”

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