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### LAN Houses: A new wave of digital inclusion in Brazil

Essay by [Ronaldo Lemos and Paula Martini](#), September 16, 2009 in response to [A Dialogue on ICTs, Human Development, Growth, and Poverty Reduction](#)

The majority of Brazilians who access the Internet today do so through lan-houses. LAN stands for “Local Area Network”, i.e, computers assembled together to allow people to play multi-player games. Popular in Asia, in places like Korea, and previously existing only in the rich neighborhoods of Brazil, they have now become a phenomenon proliferating in poor communities, especially the favelas.

A quick stroll around [Rocinha](#), one of the biggest favelas in the world, will allow one to count around 130 lan-houses. And lan-house owners usually have no complaints about their business. Charging from US\$ 0.40 to \$ 1.50 for each hour surfing the web (or playing online games), their shops are full of customers. And the demand is actually larger than the installed capacity. In Fortaleza, a city in Northeast Brazil, there is a street where lan-houses stand side by side, each one belonging to a different owner. When questioned whether such door-to-door competition is not a problem, they say it is not. If the owner had more money, they would invest in more computers, since the demand seems to be unlimited.

For a long time the lan-house phenomenon was noted only by anthropologists and social scientists. However, the lan-houses are now showing up in recent statistics. [Research](#) published by the [Brazilian Internet Steering Committee](#) (CGI.br) showed that 48,08% of the people from classes D and E who access the Internet do that from commercial places like lan-houses – that social-economic classifying criteria accounts the householder education level and the ownership of a series of domestic utensils, then relating that all to a points system. The sum reached by each household is associated with a specific social-economic classes, ranged from A to E.

#### Happy Birthday at the LAN!

The Brazilian lan-house phenomenon is in part a side effect of a federal government programme called “computers for all”. The programme, rather than taking a patronising approach of simply distributing computers to poor people, rather created credit lines that would allow low-income families to purchase computers paying small installments every month for a few years (something like US\$25 per month).

The result was an entrepreneurship fever, in which small-time entrepreneurs would buy a handful of computers, and open a shop for people to play games. Soon, they would contract a broadband connection, and resell it through their computers, in both cases charging by the hour. Economist Fábio Sá Earp, a professor at Federal University in Rio de Janeiro, who was one of the first to analyze the phenomenon, says:

“We attach to the idea of a young person going to a lan-house just for playing. But the point is: a process of appropriation of digital technology is in course. From the moment in which a poor 10-year old child accesses the web after school in order to update his/her blog or MySpace page, watch and share YouTube videos, download MP3 songs and chat via instant messenger, he/she is doing exactly the same thing that a middle class 10 year-old child that lives in Sao Paulo or New York does.”

To understand the symbolic space occupied by lan-houses in Brazil, one can note a recent trend: many of the lan-houses now offer a special area for children's birthday parties. Birthdays, which were once celebrated in Brazil in places like McDonald's, are now migrating towards lan-houses. The host invites some friends and then provides free access for all of his guests. Party bustle is guaranteed – forget the common sense: lan-houses are places of intense sociability, and have been occupying an important place in the life of the favelas. It is common to hear mothers say that they prefer their kids to be in the lan-house than wandering the streets with nothing to do.

### **Economics, citizenship and public policies**

The most interesting aspect of the lan-house phenomenon is that there is a clear potential for them to become a place for citizenship, e-government services, and even education. The lan-house owners mention that, in the morning, there are fewer people using the computers, since kids are at school. At the same time, community members always ask the owners for training courses, for instance, if there is someone who could teach them to use the computer. That makes one wonder whether some sort of public initiative could be promoted to explore this potential. Naturally, this should be a non-intrusive programme, which would not disturb their business model, especially because lan-houses are self-sustainable businesses.

Also, it is easy to see that public service potential is already emerging from the lan-houses. For instance, many of them offer services such as payment of utilities' bills, annual renewal of taxpayer enrollment (which might take a few months if you don't have a computer in Brazil, and only a few minutes if you do), and even support to customers wanting to write resumes or to seek employment online. These services, already offered by many lan-houses, each cost around US\$ 0.50 to \$1.50, and include the assistance of the lan-house owner in each task.

Antonio Cabral, a professor at the Center for Technology and Society at the FGV Law School in Rio de Janeiro, emphasizes this aspect of the phenomenon:

“This is a great popular entrepreneurship movement spreading all over Brazil, but authorities have been doing nothing to encourage it. On the contrary, a few city governments are passing laws restricting their usage. Lan-houses should in the least be left alone, because they're promoting digital inclusion in the country without anybody's help.”

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