

Executive Summary

Going Digital in Brazil examines opportunities and challenges raised by digitalisation in Brazil, looks at current policies and makes recommendations to improve them, based on the OECD Going Digital Integrated Policy Framework. The Review focuses on selected components of the framework according to the priorities expressed by Brazil.

Enhancing connectivity

High-quality communication services at competitive prices are crucial for Brazil to go digital. Fixed and mobile broadband penetration is similar to countries in the region, but well below the OECD average. Fixed broadband prices tend to be higher. Expanding quality broadband to rural and remote areas remains a main challenge.

Brazil should take further action to enhance connectivity:

- create a converged and independent regulator for the communication and broadcasting sectors
- reform the legal framework to introduce a simple class-licensing regime for communication and broadcasting services
- enhance co-ordination among federal, state and municipal levels to promote broadband deployment
- merge sectoral funds into a single fund to support further development of the digital economy
- foster the Internet of Things (IoT) by abolishing fees and establishing a separate IoT numbering plan
- carefully design the upcoming 5G auction so as to ensure competition in the market
- implement the recommendations of the 2019 OECD *Peer Review of Competition Law and Policy*.

Increasing adoption and use of digital technologies

Brazil has made significant progress in improving access to the Internet in recent years. Yet, 23% of the adult population had never used the Internet in 2018. Brazilian firms, particularly micro-enterprises, lag behind those in OECD countries in their use of digital technologies.

Brazil should put in place a wider set of policies to upgrade digital skills and address the digital divide:

- raise awareness on the benefits of digital technologies, targeting individuals with low digital uptake and micro-enterprises
- introduce tax incentives for technological upgrade, training and ICT investments for all firms
- remove regulatory barriers to the development of e-commerce; harmonise the rate of the tax on goods and services (ICMS) across states
- facilitate the formal recognition of skills acquired in online courses and vocational training
- increase funding for students in science, technology, engineering, and mathematics
- push forward with the recommendations of the OECD *Digital Government Review of Brazil: Towards the Digital Transformation of the Public Sector*.

Enhancing trust

Brazil has taken significant steps to enhance trust in the digital environment by strengthening digital security, personal data and consumer protection.

To further enhance trust, Brazil should:

- implement the National Cybersecurity Strategy by establishing a wide community of digital security leaders from the public and private sectors
- foster a decentralised approach to digital security governance, with ministries and agencies leading in their area of competence and the GSI/PR as co-ordinator
- strengthen multi-stakeholder dialogue on digital security, building on the Brazilian Internet governance model
- re-evaluate and amend the conditions establishing the National Data Protection Authority (ANPD) in Article 55-A of Law 13.709 to ensure that the Authority operates with full independence from the date of its establishment
- ensure that the rules for appointing the ANPD's Board of Directors and the National Council for the Protection of Personal Data are transparent, fair and based on technical expertise
- guarantee an adequate and predictable budget to the ANPD through a transparent process
- further the implementation of the *OECD Recommendation of the Council on Consumer Protection in E-Commerce*.

Unleashing digital innovation

Brazil's R&D expenditures relative to GDP are above Latin American and Caribbean countries, but still behind the OECD countries. Furthermore, business expenditures account for a smaller share of total R&D in Brazil, particularly in the ICT sector.

To strengthen digital innovation, Brazil should:

- orient public support to digital innovation towards mission-oriented research, building on the model of the National IoT Plan
- ensure adequate, stable and predictable public resources for research in ICTs
- develop clear roadmaps for advancement in key digital technologies, e.g. artificial intelligence and data analytics, in co-operation with all stakeholders
- reform the Informatics Law so as to strengthen its support to innovation
- make the Good Law more suitable for young innovative firms through cash-refund or carry-forward provisions
- increase knowledge transfer between businesses and academia
- strengthen innovation hubs for small and medium-sized enterprises; open e-procurement to innovative solutions from start-ups.

Fostering the digital transformation of the economy

Brazil has developed an encompassing strategy for digital transformation, with a focus on new, data-driven business models in agriculture, industry and services. Further policy actions should be taken in the following sectors:

Agribusiness

- Foster a national innovation network and testbed environment for agribusiness.
- Develop an inclusive framework for agricultural data governance.
- Align the National IoT Plan and the Strategic Agenda for Precision Agriculture.

Manufacturing

- Enhance adoption of foreign technology.
- Reduce taxation uncertainty for new, digitally enabled business models.
- Strengthen governance and co-ordination mechanisms for Industry 4.0 policies.

Fintech

- Create a level playing field for new payment institutions.
- Foster competition in the credit market .
- Enhance co-ordination among financial regulators and promote regulatory sandboxes.

e-Health

- Validate and scale up Brazil's e-Health programme, Connect SUS, across all regions.
- Enhance interoperability and co-ordination between public and private health systems.
- Update the regulatory framework for healthcare data protection and information security.

Building a whole-of-government approach

In 2018, Brazil issued its Digital Transformation Strategy (E-Digital) for the period 2018-21. The strategy aims to co-ordinate different governmental initiatives on digital issues.

In order to develop a whole-of-government approach to digital transformation policies, Brazil should:

- clarify the rules for decision making in the Inter-ministerial Committee for Digital Transformation (CITDigital)
- integrate CITDigital's decisions into the regular policy-making process, for instance through a bill by the Presidency of the Republic
- establish clear appropriations for the implementation of E-Digital in the budgetary law.



From:
Going Digital in Brazil

Access the complete publication at:

<https://doi.org/10.1787/e9bf7f8a-en>

Please cite this chapter as:

OECD (2020), "Executive Summary", in *Going Digital in Brazil*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/a13ba2c1-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.