



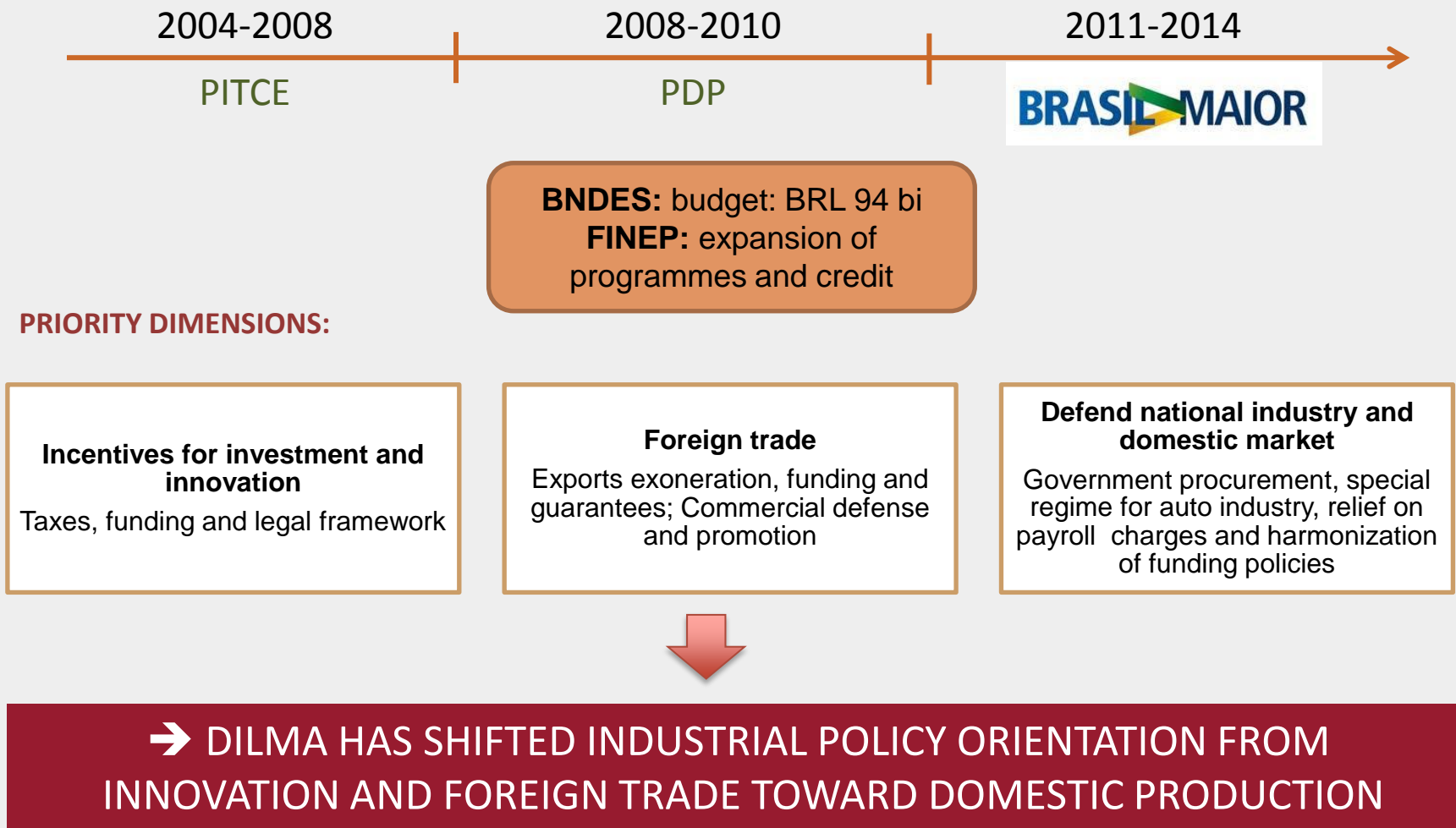
PROSPECTIVA

NEGÓCIOS INTERNACIONAIS & POLÍTICAS PÚBLICAS
BUSINESS STRATEGIES & PUBLIC POLICIES

International Internet Governance and Brazil's position

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- Brazil's current political phase: strong activism in industrial policies
- Dilma has put emphasis on national / state control in strategic areas
 - ex: telecom, O&G, infrastructure, health industry etc
- Some criticism has emerged, but public opinion continues to support Dilma's macro strategies
 - only 19% consider her government as bad
- 2014 election has already started and Dilma is responding to:
 - Domestic constituencies
 - PT demands



- During Lula's 1st term, Brazil proposed that UN regulate internet (with Chinese support)
- Brazil has also strongly advocated for open source technologies
- ➔ but after initial consultations Brazil has given up, considering potential damage for the Brazilian market and companies



- Considering the Brazilian context, ITC sector had been dealing quite well with government demands for innovation, investments and national content
- National champion and others policies have impacted the way companies must approach Brazil but have had limited effect on the underlying ITC market
- Market size and dynamic were strong arguments in favor of moderate policies
 - USD 123 (IT in 2012) and USD 233 billion (ITC in 2012)
- Brazil's "Internet Civil Law" has been an open and democratic debate
 - parliament and industry are deep involved

- NSA scandal has broken the balanced dialogue with Brazilian government
- Dilma's overreaction has expanded the effects of diplomatic crisis to other fields as: defense (Boeing), trade (US meeting), etc
- There is no consensus over Dilma's demands (neither within executive branch)



- Three issues are on the table:
 1. New global internet governance
 2. Stated owned communication system
 3. Datacenters and database location requests

1. New global internet governance (Brazilian proposal)

- UN and others multilateral arenas must regulate and govern internet
- ICANN works under US law and interest – “it is captured by US companies”
- Proposal based on Brazilian Model (CMI – Internet Management Committee):
 - Multistakeholder (government, NGOs, companies and universities)

Necessity of Multilateral Mechanisms to guarantee:

Freedom, Privacy
and Human Rights

Democratic and
collaborative
governance

Neutrality of the
network

Diversity

Universality

2. Datacenters and database location requests

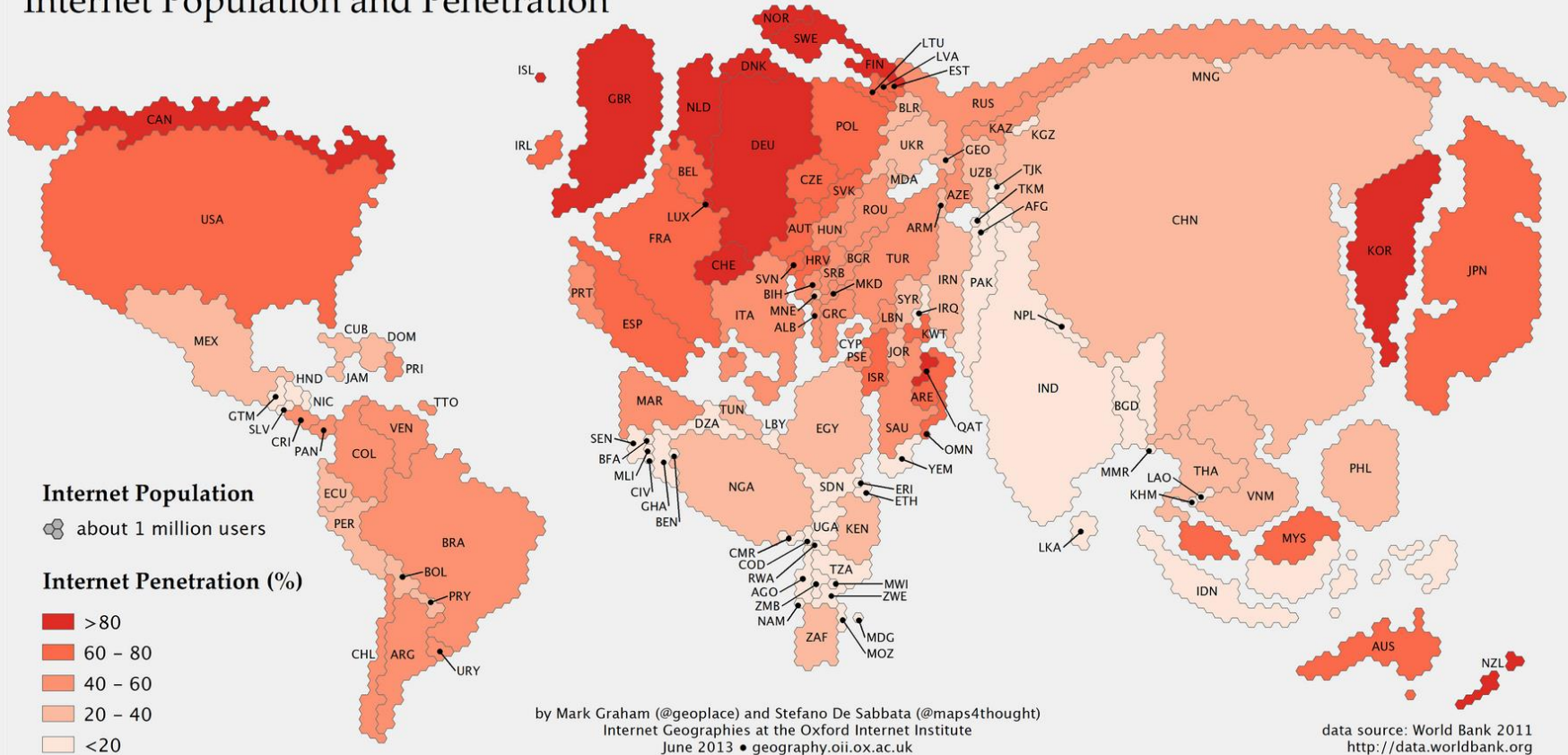
- Proposal based on the requirement for privacy guarantees (EU privacy directive)
- Very sensitive for market
- Dilma’s proposal was not included in the “Marco Civil da Internet” bill

3. Stated owned communication system

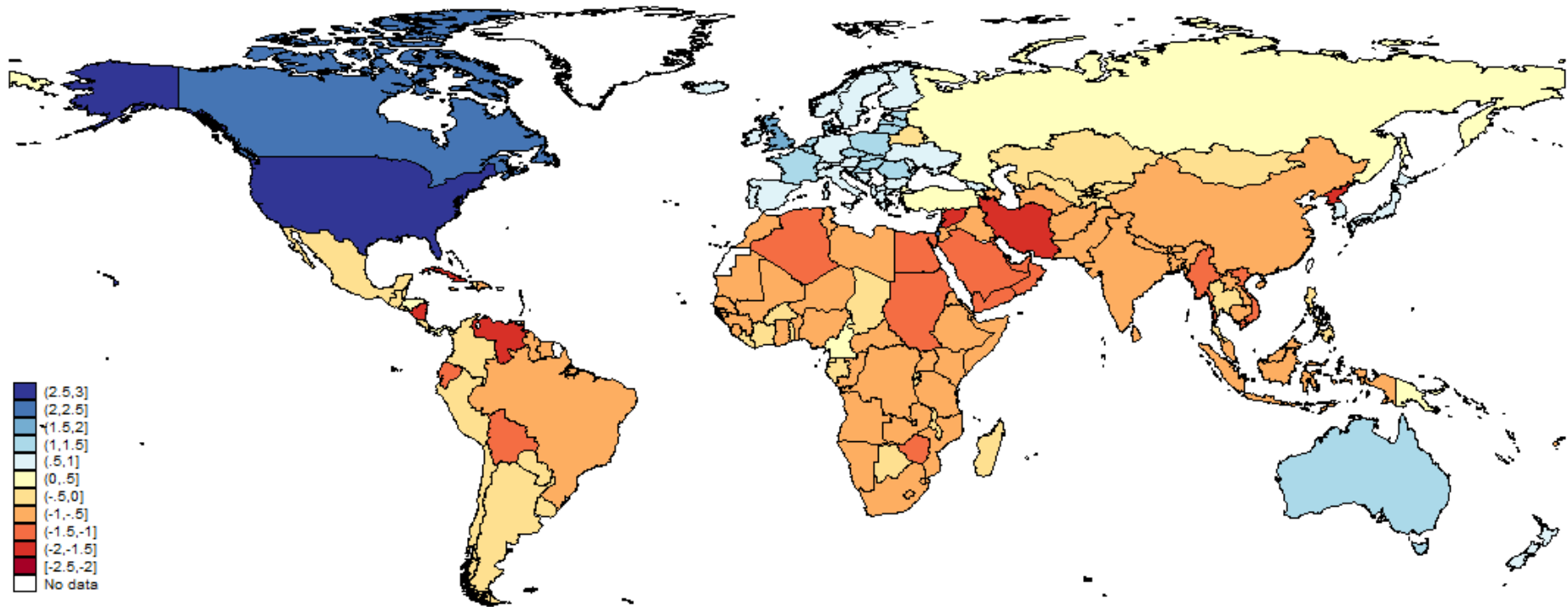
- SERPRO (state owned IT company) will provide communication system
- SERPRO - 20% of the federal government comm. system (including Revenue Service System)
- It is not SERPRO expertise, so vulnerability can increase
- The issue already part of the Brazilian Defense Plan

- IT and Internet is now part of the Brazilian political agenda
- A more nationalist approach will prevail and may affect market and efficiency considerations
- Given Dilma's weak international presence, this issue can be her platform
- There will be space for ITC companies and associations to play role in discussions around these emerging models

Internet Population and Penetration



Global Polarization in 2012
based on votes in the UN General Assembly



Graph by Erik Voeten

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