



Privacy, Policy and Public Opinion in Brazil

Background Report in Draft Form

Prepared by
Shannon Yurke, Researcher

For the Globalization of Personal Data Project
Queen's University

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c/o Department of Sociology
Queen's University
Kingston, ON K7L 3N6
(613) 533-6000, ext. 78867
(613) 533-6499 FAX

surveill@post.queensu.ca

<http://www.queensu.ca/sociology/Surveillance>

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Privacy, Policy and Public Opinion in Brazil- Draft Paper

Internet Usage

- In 2001, 58.9% of households had a telephone line; this was up from 37.6% in 1999.
- 12.6% of households had personal computers and 8.6% had internet access in 2001.
- In 2000, there were 29.39 internet users per 1,000 people.
- E-commerce grew 20 fold from 2000 (\$100 million US) to 2002 (\$2 billion US).
B2B trade accounts for 90% of total e-commerce.
- In 2001, web-based banking was used by 13 million clients.

Source: Tigre, P. B. E-Commerce Readiness and Diffusion: The Case of Brazil. Urca, Rio de Janeiro, Universidade Federal do Rio de Janeiro & Center for Research on Information Technology and Organizations.

- In Latin America, Brazil is the largest internet user with approximately one-third to one-half of total users.
- In 2001, 15.5% of telephones were connected to the internet.
- The average internet consumer is 34 years old, predominately male (75%) and is likely to hold a university degree.
- The average number of online purchases per year is 9 and the average amount spent per year online is \$493.

Source: Tigre, P. B. (2003). "Brazil in the Age of Electronic Commerce." The Information Society 19: 33-43.

Policy and Laws

The 1988 Constitution of Brazil provides some protections for privacy and personal data. It protects both the home from invasion and correspondence and electronic communication from surveillance unless mandated by court order. The constitution also guarantees access to information, confidentiality and the right to correct false data. The data and privacy protections set out in the constitution have been further strengthened by later pieces of legislation.

The Consumer Protection Law was passed in 1990 to provide broad consumer rights in data protection. It affords consumers the right to access their data, have their information corrected, and be notified in writing every time their data file is opened.¹ Under the Habeas Data Law (1997), the individual has the right to request that incorrect data be rectified. However, Laurant explains that, “if the maintaining organization disputes or chooses not to make the correction, the petitioner only has the right to annotate the data with an explanation, rather than force a correction.”²

There are several proposed laws under consideration that will both assist and impede data protection. Three laws were proposed in 2000 and 2001 that would require internet service providers (ISPs) to maintain personally identifiable information on users along with their IP address, login and logout times, and addresses.³ Another bill was proposed in 2000 to limit the collection of personal data from an internet user’s computer. It would require prior consent to be given before the data could be collected

¹ Laurant, (2003).

² *ibid.*

³ *ibid.*

and it could only be used for the purpose for which it was collected.⁴ Bills dealing with anti-spam issues have also been proposed.

While all of these laws offer some protection, there is no comprehensive Brazilian legislation that regulates privacy nor is the existing legislation equivalent to that of other developed nations (such as Canada and the EU).⁵ Cockfield cites many problems with the current privacy protection measures in Brazil. The first is that the onus of protection is often placed on the individual rather than on the organization. In the case of data collection, the individual must work to limit the collection of their information for secondary uses rather than the data collector explaining the purposes behind the collection.⁶ Moreover, there is no law that limits the amount of data collected to that which is necessary for the purposes identified by the collector. There is also no law that requires security safeguards to be taken for the personal information stored by organizations and no requirement to make their privacy policies publicly available. Further, organizations are not required to have an individual that is responsible for privacy matters. The final shortcoming mentioned by Cockfield is the absence of a general privacy law that allows for individuals to challenge compliance with privacy laws.⁷

Culture and Values

Hofstede's data from Culture's Consequences provides a valuable starting point in the analysis of Brazilian culture and values. It should be noted however that the data

⁴ *ibid.*

⁵ Cockfield, (2004), pp. 28.

⁶ *ibid.*, pp. 29.

⁷ Cockfield, (2004), pp. 30.

used in his research is now more than twenty years old and may not accurately reflect Brazil's current culture. Furthermore, the data obtained focused on the workplace and not society at large. That being said, Hofstede's four cultural dimensions can be easily extended from the organizational setting to society in general.

Brazil ranks highly on Hofstede's Power Distance Index (PDI). High PDI countries show authoritarian attitudes as the social norm, view close supervision of subordinates positively, and are led by governments that tend to be right-wing.⁸ Additionally, power is viewed as a basic fact of society and its legitimacy is not questioned. Taking these factors into account, it is possible that high PDI countries may be more willing to accept surveillance methods and privacy intrusions by the state and other organizations.

Regarding the Uncertainty Avoidance Index (UAI), Brazil does not rank strongly but does show a higher than average score. The lean toward uncertainty avoidance means that Brazil is a rule-oriented society and prefers clear, elaborate legal systems.⁹ Brazil ranks slightly higher (38) than the average (21) for Latin American countries on the Individualism Index (IDV) but is still considered a collectivist society.¹⁰ Collectivist cultures consist of an in-group/out-group dichotomy and have different value systems based on these distinctions.

Privacy is much more of a concern when dealing with members of the out-group, making consumers in a collectivist society much more sensitive to privacy invasions.¹¹ One caveat to this is the priority given to the greater good. Collectivist cultures may be

⁸ Hofstede, (1980), pp. 119.

⁹ *ibid.*, pp. 176.

¹⁰ *ibid.*, pp. 222.

¹¹ Taylor et al. (2000), pp. 231.

more tolerant of invasions of privacy if it is deemed to be for the greater good. Brazil does not rank strongly in either direction on Hofstede's Masculinity Index (MAS).¹²

Current Atmosphere

Brazil does not have a shining reputation in the area of privacy protection. Since 2002, it has been the number one originating country of internet attacks. To be exact, 145,987 attacks were discovered to have come from Brazil. This is eight times the amount originating from Turkey, who holds the number two spot.¹³ Kepp cites lax cybercrime laws, infrequent incarceration, legal loopholes and a large organized crime base as reasons for Brazil's unenviable first-place rank. It seems to be a problem that is growing: in 2003, the Brazilian Computer Emergency Response Team (NBSO) received five-hundred and ninety-three notifications of internet fraud in Brazil. This was six times the amount received the year before.¹⁴

A survey conducted in the United States, Latin America and Brazil by Cheskin Research found that web users believe the online environment is uncontrolled and that consumer protection is not enforced on websites. Of the three groups surveyed, Brazilians were the least confident that information stored in a database or server is secure from unauthorized people or hackers.¹⁵ The survey also found that respondents from Latin America and Brazil believe that email and instant messaging is as private as a phone call, more so than American respondents.¹⁶ Interestingly, the reason behind this

¹² Hofstede, (1980), pp. 279.

¹³ Kepp, (2004).

¹⁴ *ibid.*

¹⁵ Cheskin Research, (2000), pp. 11.

¹⁶ *ibid.*, pp. 12.

finding may not lie in varying levels of trust. The authors explain that internet access in Latin America and Brazil is largely provided by telephone companies and that could explain the willingness to rank the privacy of email and instant messaging as equivalent to telephone calls. Another possible reason is that internet and email privacy issues are less prominent in Latin American countries than in the U.S.

Brazilians were most likely to agree that “public office seekers and holders can get information about me”.¹⁷ They were second most likely to agree (behind the Americans) that the government is able to track their online movements and that their online activities are monitored. On an 11-point scale, where 0 means “strongly disagree” and 10 means “strongly agree”, Brazilians posted a mean score of 4.3 when asked if they would give more personal information on a website in order to receive a better price on their purchase.¹⁸ Brazil is less concerned about marketers and advertisers than the U.S. and Latin America but shows little willingness to disclose personal information for marketing purposes. Survey responses indicate that Brazilian respondents are the least comfortable online whether finding information, researching products or making purchases.¹⁹

The limited availability of research has left many questions unanswered but the articles discussed here indicate that Brazilians *are* protective of their privacy despite or *because* of their lax privacy laws. The collectivist culture found in Brazil may explain their sensitivity to privacy invasions. Brazil’s high PDI rank may also indicate a desire for stronger privacy laws and protections.

¹⁷ *ibid.*, pp. 13.

¹⁸ *ibid.*, pp. 14.

¹⁹ *ibid.*, pp. 26.

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