

Designing effective digital policies in times of COVID-19 crisis

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Agenda



Motivation



New Digital Policy Design



Example

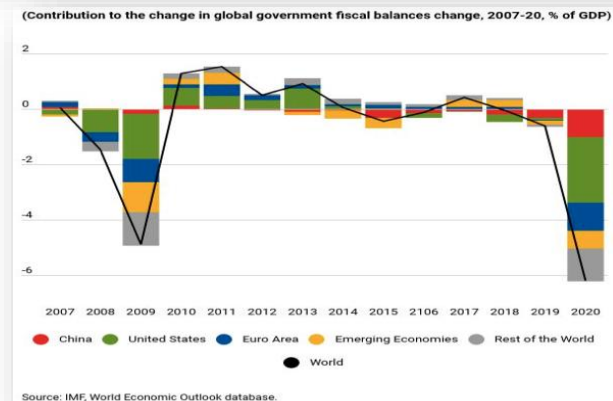
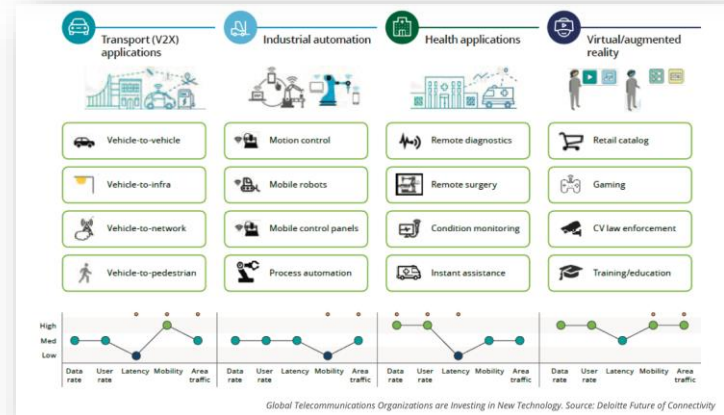
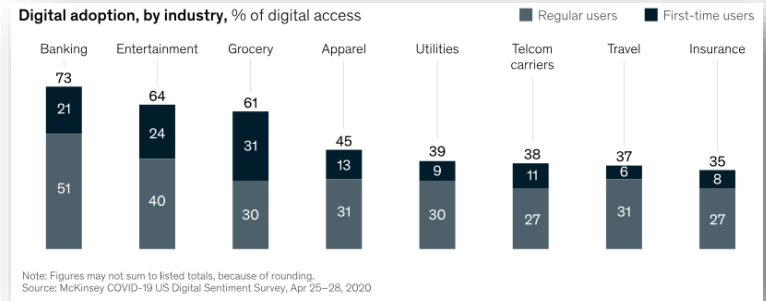


Main Takeaways

COVID-19 Crisis

- Accelerated the digital transformation in many industries
- Made connectivity even more important
 - Remote work
 - E-learning
 - E-Health
 - Combat the virus spread
- Imposed unprecedented fiscal constraints to most countries

Governments are seeking for approaches that help them make more with less



How to raise effectiveness of connectivity policies?



How to set priorities for the allocation of policy incentives?



Which policy instruments should be used? Demand-side or supply-side incentives?



How fostering connectivity expansion through indirect policy incentives?



Where does lack of digital literacy affect BB adoption?



Where does excessive regulation limit BB supply?

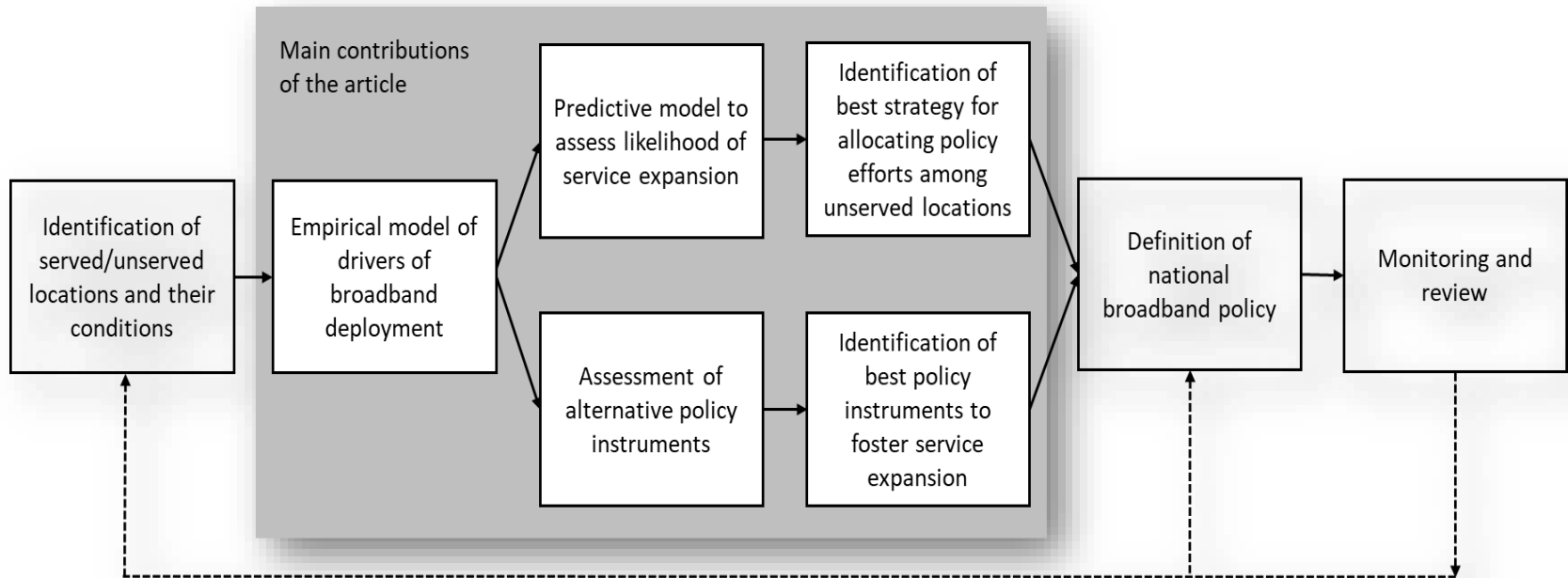


Where should lower of competition be desirable?

New Digital Policy Design

Data-driven policy design

- JTPO Paper: *Improving Broadband Policy Design Using Market Data (Prado and Bauer, 2020) (forthcoming)*
- Use of Big Data, ML, and Analytics for policymaking



Data-driven policy design

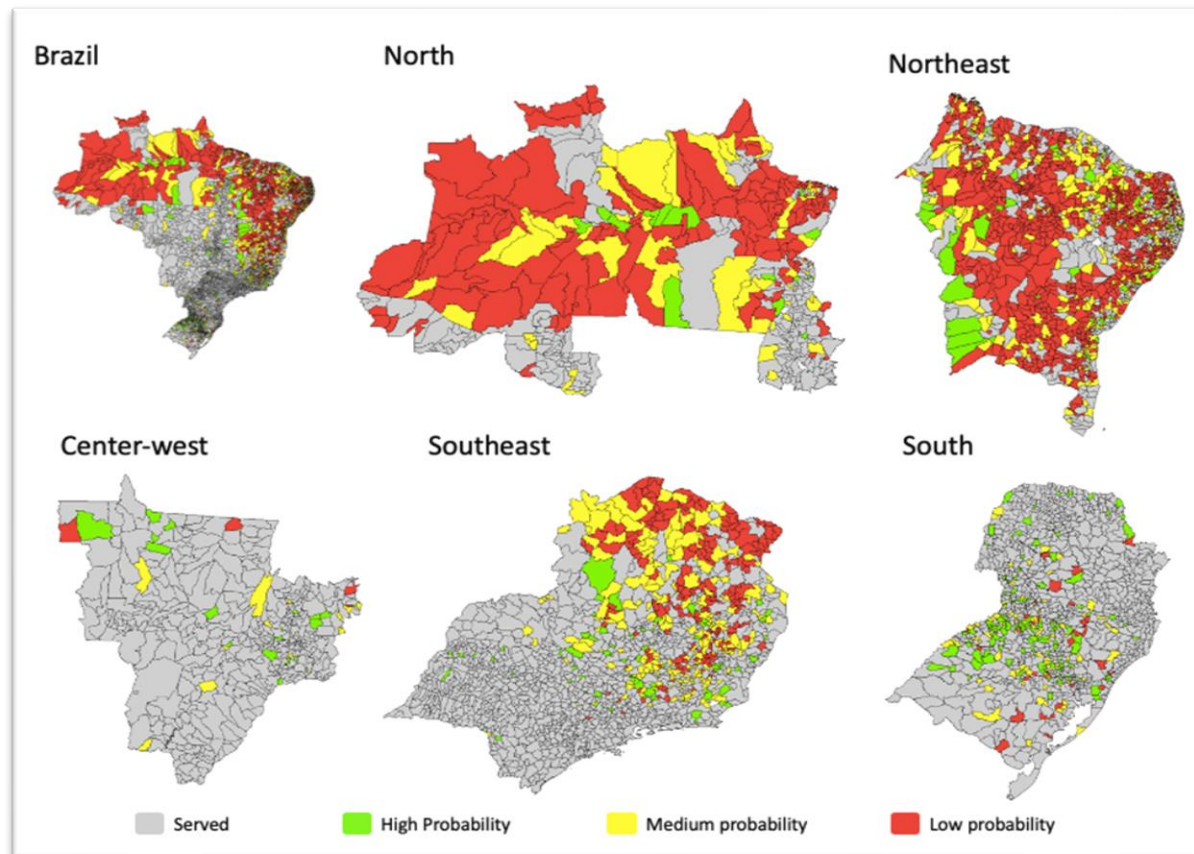
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	Policy challenges	Benefits of data-driven policy design
Supply-side	Reduce the costs of service provision to a location or region	Avoids provision of subsidies to locations that are likely to be served by market forces
	Increase the intensity of competition in or for the market	Fine-tuning competition incentives to regions where competition is unlikely to emerge
	Reduce the complexity of rules and regulations	Identification of locations where simplified regulation can foster service provision
Demand-side	Increase aggregate demand in a location	Aids identification of locations where demand-side constraints (e.g. income) are a major factor for adoption
	Increase willingness to pay for broadband service	Identification of locations where policies to increase digital literacy are particularly effective
	Reduce the user cost (effective price)	Identifying locations where user subsidies are needed for raise adoption

Example

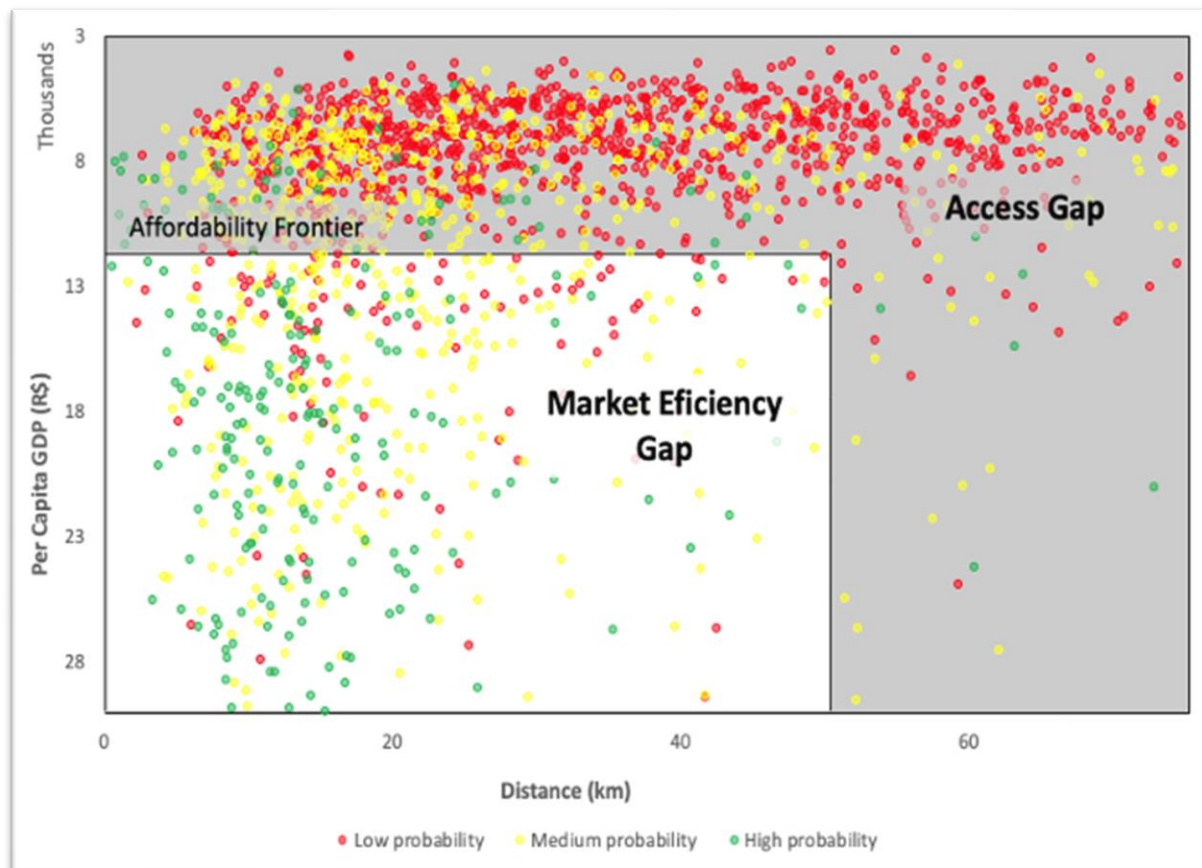
Fixed BB in Brazil

- Defining priorities for policy incentives
- Choosing right policy instruments



Fixed BB in Brazil

- Defining priorities for policy incentives
- Choosing right policy instruments



Main Takeaways

- COVID-19 crisis made the world more dependent on connectivity
- The use of digital applications is key for combating the spread of the virus
- Governments around the world seek for making more with less
- **Data-driven solutions should be largely adopted by governments to raise effectiveness and efficiency of digital policies**

Thank you!

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