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#ConsumerDay18  
#EESConsumers  
#DigitalEconomy

# EUROPEAN CONSUMER DAY 2018

The digital economy:  
what deal for consumers?

**20 | 03 | 2018** | 9.30 – 16.30

Sofia Hotel Balkan, Bulgaria



European Economic and Social Committee



Republic of Bulgaria  
ECONOMIC  
AND SOCIAL COUNCIL

# European Consumer Day 2018

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## Introduction

The 2018 edition of European Consumer Day (ECD) was held in Sofia on 20 March with the theme: *The Digital Economy: what deal for consumers?* Organised every year since 1999, this annual event brings together experts, consumers and policy-makers to debate issues affecting consumers at a European level. This year, adding sustainable consumption and digital finance specialists into the mix, not only did speakers and participants have the chance to weigh in on the issues affecting digital consumers, but also to shape Europe's dialogue about the Digital Economy.

Following on from the theme of European Consumer Day 2017 about the Digital Single Market and the topic's ongoing importance, ECD 2018 focused on the wider scope of the digital economy and what it means for consumers, including the impact of big data on consumer choice, online dispute resolution, the age of post-mass consumption, the free flow of data and consumer digital rights.

This year, the conference was organised jointly with the Bulgarian Economic and Social Council (BG ESC) with the support of the Council's President (and EESC Member), Lalko Dulevski, EESC Group III Member, and Member of the EESC Consumer Category, Bogomil Nikolov.

This report gathers the main points raised by the speakers and participants, offering an overview of consumer issues in Europe's Digital Single Market.

The EESC thanks all the conference delegates for their enthusiastic participation and looks forward to welcoming them to the next European Consumer Day in March 2019.

For further information you may contact us by [email](#) or visit our [website](#).

***Section for the Single Market, Production and Consumption***

***European Economic and Social Committee (EESC)***

***March 2018***



### European Consumer Day 2018 in numbers:

- ❖ Participants: 116
- ❖ Speakers: 15
- ❖ Twitter mentions: 103
- ❖ Webstreaming: 163 views from Belgium, Bulgaria, Chile, Estonia, Finland, France, Italy, Malta, Netherlands, United Kingdom and Sweden
- ❖ Interpretation: Bulgarian, English, French

# SPEAKERS

- ❖ **Martin Siecker**, President of the Section for the Single Market, Production and Consumption, EESC
- ❖ **Lalko Dulevski**, President of the Bulgarian Economic and Social Council
- ❖ **Emil Karanikolov**, Bulgarian Minister for the Economy
- ❖ **Francisco Fonseca Morillo**, Deputy Director-General, Directorate General for Justice & Consumers, European Commission
- ❖ **Stefano da Empoli**, President, I-Com – Institute for Competitiveness
- ❖ **Ignat Arsenov**, Director, ECC-Net Bulgaria
- ❖ **Meelis Kosk**, Co-founder, Big Data Scoring
- ❖ **Michael Kuhndt**, Executive Director, Collaborating Centre on Sustainable Consumption and Production (CSCP)
- ❖ **Jean Eudes Moncomble**, Chair Sustainability Board, European Centre of Employers and Enterprises providing Public Services and SGIs (CEEP)
- ❖ **Patrick Grant**, Adviser, BusinessEurope
- ❖ **Luis Neves**, Managing Director, Global e-Sustainability Initiative (GeSI)
- ❖ **Eva Maydell**, Member of the European Parliament
- ❖ **Emil Alexiev**, Head of Consumer Policy Unit, Bulgarian Ministry of the Economy

## Panel moderators:

- **Milena Angelova**, Member of the Employers' Group, EESC
- **Dimitar Manolov**, Member of the Workers' Group, EESC
- **Bogomil Nikolov**, Member of the Various Interests' Group, EESC

## Interactive debate:

- **Ivaylo Lakov**, Bloomberg TV Bulgaria
- **Georgi Atanasoff**, Chairman, Bulgarian Financial Forum, representative of Better Finance for Bulgaria
- **Svetoslav Dimitrov**, Non-Banking Credit Association



L. to R.: Francisco Fonseca Morillo, Eva Maydell, Bogomil Nikolov and Emil Alexiev



Emil Karanikolov, Bulgarian Minister for the Economy



Meelis Kosk, Ignat Arsenov, Milena Angelova and Stefano da Empoli

# Programme

- 9 a.m. 9.30 a.m. **Registration and welcome coffee**
- 9.30 a.m. 9.50 a.m. **Welcome address**
- ❖ Martin Siecker, President of the Section for the Single Market, Production and Consumption, EESC
  - ❖ Lalko Dulevski, President of the Bulgarian Economic and Social Council
- 9.50 a.m. 10.45 a.m. **Digital consumers: the EU vision**
- ❖ Emil Karanikolov, Bulgarian Minister for the Economy
  - ❖ Francisco Fonseca Morillo, Deputy Director-General, Directorate General for Justice & Consumers, European Commission
  - *Open floor discussion*
- 10.45 a.m. 12 p.m. **Panel 1: The digital consumer in Europe today – which threats do we face?**
- Moderator: Milena Angelova, Member of the Employers' Group, EESC
- ❖ *Mapping digital consumer trends in Europe* – Stefano da Empoli, President, I-Com – Institute for Competitiveness
  - ❖ *Online dispute resolution* – Ignat Arsenov, Director, ECC-Net Bulgaria
  - ❖ *The impact of big data on consumer choice* – Meelis Kosk, Co-founder, Big Data Scoring
  - *Open floor discussion*
- 12 p.m. 1 p.m. **Lunch**
- 1 p.m. 2 p.m. **Debate: Digital Finance – how can consumers profit?**
- moderated by Bloomberg TV Bulgaria
- ❖ Georgi Atanassoff, Chairman, Bulgarian Financial Forum, representative of Better Finance for Bulgaria
  - ❖ Svetoslav Dimitrov, Non-Banking Credit Association
- 2 p.m. 3 p.m. **Panel 2: Opportunities for the digital consumer**
- Moderator: Dimitar Manolov, Member of the Workers' Group, EESC
- ❖ *The digital consumer in the age of post-mass consumption – the role of the sharing economy* – Michael Kuhndt, Executive Director,

Collaborating Centre on Sustainable Consumption and Production (CSCP)

- ❖ *Digitalisation for ever better public services for consumers* – Jean Eudes Moncomble, Chair Sustainability Board, European Centre of Employers and Enterprises providing Public Services and SGIs (CEEP)
- ❖ *Fostering the power of responsible artificial intelligence* – Patrick Grant, Adviser, BusinessEurope
- ❖ *Making technology work for consumers* – Luis Neves, Managing Director, Global e-Sustainability Initiative (GeSI)
- *Open floor discussion*

3 p.m.      3.15 p.m.      **Coffee break**

3.15 p.m.      4.15 p.m.      **Closing Panel: What is the EU doing for consumers in the digital economy?**

Moderator: Bogomil Nikolov, Member of the Various Interests' Group, EESC

- ❖ *The free flow of data and consumer digital rights* – Eva Maydell, MEP
- ❖ *The challenge of high-level consumer protection in the Digital Single Market* – Francisco Fonseca Morillo, Deputy Director-General, Directorate General for Justice & Consumers, European Commission
- ❖ *The consumer priorities of the Bulgarian Presidency*, Emil Alexiev, Head of Consumer Policy Unit, Bulgarian Ministry for the Economy
- *Open floor discussion*

**Closing remarks:**

Martin Siecker, President of the Section for the Single Market, Production and Consumption, EESC



Closing Panel: Eva Maydell and Bogomil Nikolov



Panel II: (L to R) Michael Kuhndt, Dimitar Manolov, Jean Eudes Moncomble, Patrick Grant and Luis Neves

## Speaker contributions

***Martin Siecker, President of the Section for the Single Market, Production and Consumption, EESC***



Today we talk about more and more jobs that can be done by artificial instead of human intelligence, cars that can drive themselves, products delivered by drones instead of people, and even banks, those bastions of economic activity now face an existential crisis. As in any economy, demand fuels growth and the digital economy is clearly giving consumers what they want: comfort and convenience at a competitive price. But can we say that this is the case for ALL consumers? Or that we will continue having the same protection to which we are now accustomed? The European project is all about managing change while respecting rights and protecting humanity. It is our job as the EESC to make sure that civil society remains a crucial part of this process. The fact that we have reached our 20th edition in itself indicates the importance the EESC assigns to matters affecting consumers. In its recently published opinions on Digital Contract rights, for instance, the Committee has insisted on maintaining consumer protection online as well as offline. And, while rights are a good thing to have, it is also important that consumers know that they have these rights. For this reason, in a report prepared for the Commission we also insisted on accessible and clear consumer information on products and services. As we are all too aware: too much information kills information.

The EESC has already been active in the area of new forms of finance, and what this means for consumers. Its recent opinions on the subject include the [\*taxation of the collaborative economy\*](#) and [\*FinTech\*](#). With regard to Artificial Intelligence (AI), we need to consider the relation between consumer choice and ethics: how can we foster responsible Artificial Intelligence? As AI can have both a positive and a negative impact on society, the EESC has been closely monitoring developments surrounding AI, not only from a technical perspective but also specifically from an ethical, safety and societal perspective. In this context, the Committee has long advocated a Human-in-Command approach, which means that people remain at the heart of developments in Artificial Intelligence.

***Lalko Dulevski, President, Bulgarian Economic and Social Council (ESC)***

The digital economy is of key importance and both the EESC and the Bulgarian ESC have worked on this topic, with adopted opinions on the future of work outlining the challenges from the fourth industrial revolution, including digitalisation. There are similarities as well as differences. The media appears to be mostly concerned by the challenges for business or workers in the digital revolution. The worker debate focuses on rights and what is to result from the large scale re-organisation. However, consumers too are interested in the changes to come. Older generations find it difficult to adapt with the flood of changes. A system is needed to provide



understandable information and protection. Providers are very well prepared in the field, capable of presenting information in an apparently legal manner to grasp the market but which presents a threat to consumers. Attention needs to be given to the challenges that our children will be faced with. Even if they are more savvy than their elders, the split in wealth between rich and poor families must be considered. If the education system fails to equip children with necessary skills, will we not face a deeper split? Legislation in many Member States provides for the right for each child to be educated. However, there are no mechanisms in place to make sure that those rights are enjoyed and this leads to isolation and exclusion from the new market reality brought about by digital change. This European Consumer Day is an important step forward. We need prompt intervention and a strong policy.

### ***Emil Karanikolov, Bulgarian Minister for the Economy***

Digitalisation is all around us through widespread access to the internet, smart goods, mobiles and apps developing quickly in our lives. As consumers becoming more and more dependent on technology, we need safeguards for our rights, interests and personal data in the digital world. That is why a consistent and adequate response to new challenges should be provided by the required legal framework. The Bulgarian Ministry for the Economy is in charge of horizontal consumer policies, and supports the functioning of the Single Market, fully aware of its importance for our common European future. The Bulgarian Presidency of the Council of the EU will therefore do its best to contribute to the development of the Digital Single Market by proposing legislative amendments to encourage responsible consumer legislation, such as the Directive for digital content and the Directive for contracts for the digital sale of goods.



Digital contract rights are among most important priorities of the Bulgarian EU Presidency, aimed at eliminating obstacle in contractual law that hamper cross-border business. The amendments should help to produce harmonised rules for digital content and the sale of goods and strengthen trust in the digital economy across the EU.

The Bulgarian Presidency has made progress in the negotiations on the digital content directive and will support the New Deal for Consumers package. It will also aspire to achieve a legal framework adapted to new market developments to provide a high level of protection of consumer rights, including the protection of their digital rights. This initiative should improve the environment for consumers, businesses and law enforcement bodies.

## ***Eva Maydell, Member of the European Parliament***

Today more than 45% of the world's population is online. If we look back to 20 years ago, this figure was just 1%. The rapid growth of the internet and other digital technology has created many opportunities, but also significant challenges to policy makers, society and, of course, consumers, particularly in understanding how and why their data is used. A tiny number of people today read the terms and agreements for services or products. This figure is estimated at less than 1%. Globally, 72% do not know what information is collected about them by companies online. That is



why General Data Protection Regulation (GDPR), e-privacy and cybersecurity regulation is so important. But it is more important to have digital literacy, not only via soft measures, such as workshops but also through awareness campaigns across Europe. We should regulate only when necessary in order to protect consumers, making sure that consumers have more choice so as not to lose their trust because loss of trust is detrimental to society, governments and businesses. Clearly, the new rules did not come out of the blue: they stem from direct concerns from consumers about privacy and security, about not understanding how their data is used and not

being able to stop things they do not like, especially when it concerns their data. We need to be constructive. And we need to be careful about the discourse we use. We do not want to spread the idea that the internet is an unsafe place or for people to go offline and miss out on the digital revolution. At the European Parliament we try to strike a balance between innovation, security and better protection.

A word about the free flow of data: seamless data mobility saves costs for businesses across the EU. What is essential is that many of the next generation digital services use the free flow of data for data analytics. This keeps us much more competitive on a global scale and Europe can show it is open to business with the rest of the world, leading to better products and services for consumers. Moreover, this means that more data will be available for data driven innovation for citizens and for business. The free flow of data will have a particular impact on the public sector (weather, traffic statistics) and will be able to create much better public services and will free up an additional EUR 1.4 billion in revenue if data localisation restrictions were to be removed. This is a key file in the European Parliament, hopefully to be concluded during the Bulgarian Presidency or early in the Austrian Presidency, in part to make the Digital Single Market more competitive but, more importantly, for better opportunities for consumers and to make them better protected and better aware when they share their information. In a few years we will hopefully no longer be talking of the Digital Single Market. The Single Market will simply be digital.

## ***Emil Alexiev, Head of Consumer Policy Unit, Bulgarian Minister of Economy***

On consumer protection, the Bulgarian Presidency is focusing on two legislative packages: one is part of the strategy for the Digital Single Market – contractual law, including two directives put forward by the Commission in 2015: Contracts for the provision of digital content. The second concerns contracts for the sale of goods. The 2017 proposal now also covers online and offline sales contracts. The second one is the new legislative initiative, presented by President Juncker in his State-of-the-



Union speech in 2017. This is the New Deal for Consumers. We hope that it will be a deal in favour of consumers. It aims to amend 6 existing directives in the area of consumer protection and better enforcement by national authorities. It also aims to improve the tools for the collective protection of consumers and an Injunctions Directive. It will be an Injunction+ directive, with a second aspect to allow qualified Consumer Protection entities not only to seek injunctions but also compensation. The Bulgarian Presidency will be organising an event in April on the second package, a New Deal for Consumers. It also aims to bring the negotiations at Council to a successful end on the first proposal. The Working Party on Civil Law in the Council is currently discussing the second proposal. It is hoped that the Austrian Presidency will conclude this negotiation.

### **Ignat Arsenov - Online Dispute Resolution**

The European Consumer Centres Networks focuses on resolving disputes and redress. EU legislation requires the creation of an extra-judicial body to resolve consumer disputes in all spheres, meaning that all EU consumers should have access to these bodies. This internet



platform is a website accessible in the 23 official languages of the EU. All the national contact points are listed there. The platform has been operational since February 2015 and is used to resolve disputes for online shopping. It is not for goods purchased in shops. Its main aim is to facilitate communication. The two parties can choose which body is to resolve the dispute (the Member State of the retailer or of the consumers). All parties can receive assistance from the contact point. This is a website developed and maintained by the European Commission and the disputes are resolved automatically. It is not a judicial body. The consumer files a claim online, the trader receives it by email and has ten days to react and propose the responsible body.

Both parties then have a period to discuss which body should be responsible for the online dispute resolution (ODR) and the whole dispute is sent to this body. The dispute has 120 days to be resolved.

According to ECC-Network statistics: a large percentage of traders resolve disputes immediately upon receiving the email with the complaint, so many disputes do not actually reach the bodies. This is also a sign that traders do not generally contact the alternative dispute resolution (ADR) body and prefer to act alone. So far only Spain and Romania have not provided such bodies. Our job is to give advice to both consumers and traders on the functioning of the platform and on the way to file complaints. We also offer legal advice and assistance to choose the best competent authority to resolve the dispute. Most Member States only have one contact point, so the duty of the contact point is to facilitate communication. We also have data protection responsibilities. We do not avail of the personal data of the two parties and we cooperate with other all communication takes place online. It is interesting to note that percentage of cross-border complaints higher is than that for national complaints.

[Link](#) to online presentation

## *Meelis Kosk, Co-founder, Big Data Consulting*



The amount of data being generated online is huge. The consumer actually generates this data, but companies are using it to influence what we are going to choose. So, rather than having customers having access to more data and making choices, the companies have this data and are making the choices for us. Arguably, these choices are better targeted to our needs. This also applies to the financial, retail and telcom space. In 2017, there were 3.6 million Google searches per minute. Amazon makes \$250,000 per minute on their sales. A 100 million spam emails are sent in one minute, as well as 15 million text messages. On the other hand, the financial world is still 20 years behind, with banks still giving consumers applications to fill out. But today, whoever has a smartphone is online, so there is information about us in government registries, in online searches. Online behaviour can also be tracked when visiting websites. All in all, this generates 5 data points, on top of the traditional methods used today. For example, whenever you are on a website, everything can be tracked: mouse movements, what is clicked. This data can be used for marketing, detecting fraud, identifying if a person has changed relevant items on a form. From our smartphones, Google knows almost everything about us. It can also tell if you are using a PC, or a phone, giving a bank or retail site data on the type of person you are. Location services also contribute to this: night time satellite imagery, for example, is used to gauge economic activity and therefore expected income ranges, household sizes, income levels, and in some cases the material used to build your house. If data is used in a smart way, specific classifications can be created on where people live, and what type of people live in what type of areas.

Data is also used to analyse credit worthiness. In certain cases, customers who use extra data packages on their phone are considered to be at higher risk of defaulting. Those customers who opt for family packages are not considered as likely to default. On average, people who use a mobile phone are riskier than those using a tablet. Android users are riskier than those using an internet-based browser. And this is only data captured from phones. When using apps there is even more comprehensive data available.

The hot topics in the big data sector are: (i) the upcoming General Data Protection Regulation: this is of great concern to banks and telcom companies; (ii) the Payment Services Directive: this will be a game-changer in the financial sector.

In a perfect world, what we would like to see in the EU is regulation that opens Google and Facebook so that consumers can have access to their information and provide that data to any third party that might want to access it. Generally, more data is positive. Access to more data, as seen in the financial world, leads to higher-quality loan portfolios. This means more of the right people get credit than those who do not deserve it, so it is better for customer choice too. This is especially true in emerging markets.

Consumers need to understand how their data is being used and have an overview of what data is available about them.

[Link](#) to online presentation

## THINK-PIECES

The following think-pieces were prepared by the speakers as a synthesis of their arguments in the context of the topic they were invited to discuss during the European Consumer Day conference.

### **Francisco Fonseca Morillo, Deputy Director General, DG Justice and Consumers** ***A new deal for consumers in our digital economy***

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European consumers enjoy the highest level of consumer protection in the world, including online. But recent high-scale scandals such as the Dieselpgate, massive flight cancellations or unfair contract terms in mortgage contracts have underlined some weaknesses and missing links in our approach to redress and private enforcement. Digitalisation is quickly changing the marketplace, with new business models and technologies appearing almost every day in consumers' lives. Digitalisation is also making it easier for rogue traders and illegal commercial practices to spread online.



These challenges cannot be ignored and that is why the Commission will present in a few weeks the "New Deal for consumers" announced by President Juncker in his State of the Union speech. Through this "New Deal", the ambition of the Commission is to highlight how we should build on our achievements in the field of consumer protection and take them a step further to tackle the challenges of more complex, digitalised and internationalised retail markets.

The evaluation of our consumer and marketing law acquis – the so-called REFIT – has shown that EU consumer rules are still very much fit for purpose, that they have contributed positively to the operation of the Single Market and at ensuring a high level of consumer protection. As such, the targeted changes that the Commission will put forward in April as part of the "New Deal for consumers" are only one component of making consumer law work more effectively and efficiently. Better enforcement of the rules, but also better knowledge of the rules by traders and consumers are crucial to enhance compliance by traders and therefore long-term consumer trust.

We indeed intend to put forward specific targeted changes to our acquis, in line with the objectives of the Digital Single Market Strategy, for instance to improve online platforms' transparency and to improve consumer rights with regard to digital services. These changes will complement the two proposals on the sales of goods and digital content and which are currently being discussed by the European Parliament and Council. We also intend to strengthen mechanisms for individual and collective consumer redress, given the missing links we have identified in this area.

But beyond legislative changes, we want to put the focus on enforcement, education and awareness. Evidence from our evaluation and studies suggest that these are key areas where further efforts are necessary.

Rules have to be better applied and enforced. In this respect, the revision of the Consumer Protection Cooperation Regulation is playing a key role to strengthen the enforcement capacity of consumer authorities. Together with national authorities, we will need to further use the tools at our disposal to ensure compliance in the marketplace.

Awareness of consumers and traders about their rights and obligations need to be improved as it is currently too low. Throughout 2018 and beyond, the European Commission will carry out a series of actions to enhance knowledge about consumer rights and to stimulate a new culture of compliance with EU consumer law.

Last but not least, the consumer landscape needs to be monitored to identify issues which may be relevant for consumers in their near future. Artificial Intelligence, the Internet of Things and the move towards mobile e-commerce are among the issues on our radar. These technological changes are permeating every aspect of our daily lives as consumers and may raise safety concerns or create situations of vulnerability which we need to look into.

The Juncker Commission is determined to take consumer protection to a new level. The "New Deal for Consumers" package that the Commission will put on the table next month is about increasing fairness and trust in the marketplace, whether on or offline. It is also about launching a common public debate on how we best tackle consumer concerns so that we deliver the change that is needed, together. Events such as the European Consumer Day are important milestones in this respect.

Digitalization has been revolutionizing the relationship between businesses and consumers over the last 10-15 years. This process has been increasingly driven by consumers who have become increasingly aware of the numerous advantages provided by the online channel. Nowadays, a vast majority of individuals of all ages and from all countries use the Internet and shop online. Even when they choose to purchase goods or services through the physical channel, they often first search online to compare offers or gather information from online reviews. The Internet also helps consumers in post-contractual procedures, when they need to make a complaint or claim or ask for information from companies. The social media and online reviews are also tools which increase consumer power.



Of course, businesses may benefit as well from the digital revolution, becoming more efficient, slashing distribution costs and better anticipating consumer preferences. Personalization is indeed one of the most interesting developments of the B2C relationship. Far from being an invasion of the personal sphere, tailor-made commercial offers are a must for consumers who are disappointed if this personalization is a renamed kind of spam or is not done well – quality makes the difference. As well, there must be trust between companies and consumers who seem to be willing to provide information on their consumer patterns in exchange for commercial offers more in tune with their preferences.

Market openness to the digital revolution differs by sector. Potential impacts on the B2C relationship appear differently even if no sector is immune to the ongoing transformations. Consumers who purchase goods by the Internet or receive replies on chat-bot expect the same for all goods or services they are interested in. Sooner or later, all companies in the retail market sector will need to invest at least in an omni-channel approach. Therefore, public policy at the EU level and in the Member States should focus on reducing barriers to digital transformation and bridging the digital gap between and within Member States.

This is even more urgent than finding new ways to regulate the digital interaction between businesses and consumers. In making markets more efficient and consumers more aware of available choices, digitalization can help in reducing the risk of market failure.

Moreover, privacy and security as well as unfair business practices are areas which must be closely followed and, where breaches occur, severe sanctions should be imposed.

However, the most important objective for the EU institutions and national governments is to ensure that no country or group remains behind in digitalization. As well, suitable investments should be made in connectivity and digital services (with a direct role in e-government, closely linked to other Internet activities such as e-commerce and Internet banking).

[Link](#) to online presentation

Consumers have various needs, but the current products/service and consumption patterns cause a large footprint;

The booming sharing economy provides promising solutions, but the investment-driven approach might bring together adverse impacts (rebound effects) and the centralized marketplace sometimes puts consumers in a weak position;



The existing platforms have generated a large number of user-generated data on the users' needs and consumption patterns, which may be turned into valuable insights on how to drive user-centric sharing economy and protect the users' rights.

### **What if**

We take user-centric sharing economy approach by looking into how to satisfy the function and emotional needs of consumers while decoupling it from the resource consumption?

We empower user-driven sharing economy by enabling interested actors (including consumers) to gain improved insights and capacity on how to satisfy the needs of themselves' and peers, and how to protect consumers' rights?

### **We propose**

Governments and Civil Society Organizations (CSOs) take the user-centric sharing economy framework (based on functional and emotional needs, and S/E targets) to re-evaluate the impacts of various sharing solutions, and to guide the more sustainable development of sharing economy;

Public and private actors create Multi-Stakeholder Data Partnerships and Consumer Association of Data, which will make relevant data accessible to interested actors (e.g. Researchers, CSOs, entrepreneurs, consumers) and empower them to drive user-centric sharing economy;

Governments and business to share relevant data for enabling user-centric sharing economy;

CSOs gain better capacity for data literacy and safeguarding user-centric sharing economy development.

[Link](#) to online presentation

The world is undergoing a real and profound revolution that is expressed through the changes observed in many policy fields, from the digital transformation, the energy transition, future mobility solutions to the circular economy. All these aspects are closely connected. They are not of a purely technical nature, but intimately linked to the future place of consumers who are, for the first time, entering the centre of an economic and societal revolution. This development is also about the role of politics that is key to shaping the future place of consumers as well as that of the various other players that take part in this revolution.



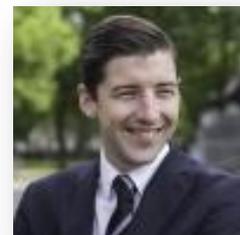
Public services and services of general interest in Europe, which CEEP represents, play a specific role in the change brought by this revolution. All its aspects do not only have a major impact on how public services are provided, but they are also pro-actively driven forward by these. This happens for two reasons: first, digitalization and the other above mentioned changes contribute to adapting public services even better to individual consumer needs. Secondly, public services evolve to ensure that, in times of digital divide of our societies, differences between the digital behaviour of consumers do not lead to a different access to public services.

The future of public services lies in horizontal integration. Important synergies between infrastructures and services are and will be further created within one organisation and beyond, in strong partnership with consumers. Digital technologies thus help to further increase the quality of public services to the benefit of consumers, optimise the use of resources and reduce the impact on the environment. CEEP members are driving digitalisation forward and thus offering ever better public services for consumers by, amongst other things, improving the management of public distribution networks, promoting sustainable transport solutions, providing solutions for smart buildings, leading the transformation of digital hospitals and by developing multi-service apps.

It is essential that policy-makers adopt a broad concept of industry and recognise the important role of public services, beyond e-government, to ensure a successful digital transformation of the European economy in which all players in the digital value chain are empowered to innovate and share the benefits of their investment with consumers and the whole society. Public services must deliver services to all citizens. An inclusive digital transformation thus requires the right policy responses to deepen the penetration of digital infrastructure including in rural areas and increase the digital skills of more segments of the population. Furthermore, policy choices should leave flexibility and be technologically neutral, allowing public services' providers to find cost-effective solutions to adapt services to consumers' needs. Increasing transparency, trust and security in the digital economy is a core concern for public services' providers which have a strong expertise in dealing with sensitive data and securing essential infrastructure.

CEEP, representing employers and enterprises that provide public services and services of general interest in Europe, has a long-standing experience in working with its members and the European institutions on ever better public services in the interest of consumers. Currently, the CEEP Sustainability Board is the place where the digitalisation of public services is dealt with in-depth and from which it is brought into the debates at European level.

Artificial intelligence (AI) has the potential to double annual economic growth rates of developed economies and increase labour productivity by 40% within 20 years. It can improve conditions for society on the whole by innovating sectors like manufacturing, healthcare, agriculture, education, infrastructure, public safety and financial services. But there is a need for a coherent European approach to invest in AI to maintain our scientific and commercial leadership. To seize the opportunities offered by AI, Europe needs to enable technological progress, encourage the uptake of emerging technologies and address the potential challenges in a smart and future-proof way.



When systems powered by AI are deployed, more questions may arise around ethics and liability. Society and the legal frameworks should adapt to respond to new needs. It is also important to realise that priority should be placed on applying frameworks that already exist as many can already answer these questions today (eg. consumer protection, liability, data protection, security and safety frameworks). Existing legislation and initiatives may also need to be adapted in order to provide innovative opportunities, for instance, with regard to a clear application of liability. This way emerging AI technologies will be allowed to prosper in Europe to facilitate the development of innovative applications.

An informed and fact-based dialogue among relevant stakeholders is required to identify potential economic and societal challenges of specific AI applications. Policy makers should remain informed on AI developments through a continued dialogue with stakeholders and experts in industry, the research community, academia, civil society and where applicable financial supervisors. The development of AI-based technology happens on a global scale, so a narrow focus on Europe is not an option as international competition in this field is high.

Businesses need to prepare for competitive AI-based tools to rely upon their workforce to function. But this does not equal full scale automation and the replacement of all human contributions. We believe that the largest potential of AI lies in the partnership between humans and machines. That is why the roll out of AI needs to be human centric. While data can be analysed and processed more efficiently by machines, humans should remain in charge when it comes to critical decision-making, emotional intelligence, value judgements.

Understanding and trusting decision making in relation to AI technologies is essential for furthering its accountability. Relevant Information that explains how certain impactful automated decisions are taken should be made accessible and easily interpretable for citizens to evaluate how those decisions were reached. This should in no way permit full exposure of businesses technology or mathematical algorithms which would not aid accountability to average users in practice but instead flourish on the basis of competition of how results are demonstrated.

### **Making technology work for consumers**

The Global e-Sustainability Initiative ([GeSI](#)), grouping around 30 of the world's leading ICT and telco companies, has been assessing and quantifying the contribution that ICT can provide in the transition to a low-carbon economy for over a decade;

Our SMART series of reports, in particular, looks at how ICT solutions can allow other sectors to reduce their own environmental impact, and what kind of new business opportunities they can unlock;

The latest instalment of the report, SMARTer2030, was released in 2015 and includes a number of significant changes from the two previous ones: the temporal horizon considered was extended from 2020 to 2030; we looked at additional metrics other than those related to CO2 and energy consumption, for instance air quality; and, most importantly, we included the examination of social benefits in the analysis;



### **In 2030 life will be different ... and better for all**

By connecting 2.5 billion previously unconnected people to services ICT will improve the quality of people's lives by 2030. This would include access to e-health services for 1.6 billion people and 0.5 billion e-learning participants;

ICT has the potential to enable a cut of 12Gt CO2 e from the global economy by 2030, maintaining CO2 e emissions at 2015 levels and enabling a decoupling of economic growth from its climate impact.

But to realise these potentials, SMARTer2030 needs collaborative action to realize these CO2 abatement benefits and broader societal benefits.

### **Consumer action is key:**

Consumers' buying decisions and sustainable use of products and services are important levers to reaching mass adoption;

### **The case for consumer action:**

ICT is genuinely putting the consumer at the center, allowing for more compelling service offerings that "deliver it all", finally resulting in increased convenience, increased well-being and new income opportunities.

### **Three priority areas can be identified for action:**

#### **Priority area 1 - Increased convenience and e-participation**

Broadband connectivity and an ICT-enabled device such as a smartphone or computer can deliver immense time savings to the consumer; e.g. each person telecommuting can save on average over 100 hours a year in avoided traffic. In addition, the smart consumer will be in a position to participate in voting processes through e-participation.

## **Priority area 2 - Choose e-services for your well-being**

E-services such as e-health and e-learning improve the consumer's well-being. In addition, ICT helps consumers to reduce their personal expenses, for example for electricity, fuel, water and paper. E-services can deliver more than two times in savings than the cost of the service and device.

## **Priority area 3 - Become digital to expand your horizon**

E-learning provides broader access to education and thus allows individuals to expand their horizons. This, in turn, can result in higher earning potential and digital literacy. University equivalent e-degrees can raise incomes by 11%, creating \$115 billion in additional annual income from over 50 million e-degrees in 2030.

Consumer buying decisions and sustainable use of products and services are important levers to reaching mass adoption of ICT solutions, thus allowing us to reap their full benefits. ICT is genuinely putting the consumer at the centre, allowing for more compelling service offerings resulting in increased convenience, well-being, and new income opportunities;

For this to happen, we have to ensure a few things: first, we need to make sure that consumers feel that their data is protected, and their privacy respected. The robust framework that the EU has been putting into place, the most advanced in the world, will support this effort; second, we have to make sure that we explain the potential and opportunities of ICT solutions to the different consumer groups, regardless of age and tech skills, so those who could benefit the most – think of e-health solutions for the elderly – are not left behind and “cut out” from the benefits of digital solutions; third, we have to engage with consumers and the associations representing them, so that ICT products and services can take into account users' needs from an early development stage, and really be consumer-centric.

- Digital **does not wait for 2022 to infiltrate our lives**. It is here already, and it is here to stay and to grow. Technology evolves and sneaks into consumers' homes quicker than ever before. Yet our capacity to adapt our laws and our policies to make sure consumers are protected isn't fast or ambitious enough.
- Markets need consumers – or at least a critical mass. The risk is that not only they will be left behind, but also, in a **black box and naked**, and that risk is already materialising here and there! The way consumers risk being exposed in future digital societies can have an important impact on their lives as workers (your employer checking your FB friends and pictures) or as citizens (the echo chambers you are locked into as a consumer can lead to radicalisation, biased voting, constant monitoring via CCTV,...).
- Consumers all risk being exposed to **vulnerabilities**, be it because of their lack of digital skills, their disabilities, their financial situation, not being able to receive the latest technological updates, or just their geographical location: they risk indeed being left behind and be discriminated against in their life as consumers and citizens. This needs to be urgently addressed.
- Our lives will be more and more connected – **digitalisation will be ubiquitous!** From our food, to our energy, to our mobility, to our toys, our healthcare, our education, our dating...
- Digitalisation brings **a lot of benefits** with it - these should be acknowledged: safer products, smarter homes, enhanced monitoring and better market surveillance, access to distant health specialists, more convenient shopping, easy access to information, to payment services, ...
- It also brings with it a **lot of challenges**, that should not be underestimated
  - While the General Data protection Regulation is a major milestone in the protection of **consumers' personal data**, it still must be implemented, and the major challenge will be to have it enforced
  - Products and services are too easily hackable: **cybersecurity** by design and by default is a must!
  - **Automated decision making with AI** will increasingly be used for price discrimination or anticompetitive practices will lead to markets working differently than today – consumers risk being locked in and left in the deep dark
- The belief in **innovation should not be monotheist**. It is key to take the time to take step back and analyse all possible consequences: the precautionary principle should not only apply to safety, health and the environment; it should also apply to our privacy, our security. Asking for ambitious risk assessment is not being against innovation, it is being in favour of sustainable innovation. The **recent craze around artificial intelligence** and



blockchains is just one illustration of the risk of creating a world where human intervention is marginalised and values are managed by robots, that risk being not controlled by humans anymore.

- Our current legislative framework is **not fit for purpose** already today and certainly not future-proof. The concepts of safety and liability do not take account of the complexity of technological developments, nor of the interaction between products and services, with multiple professionals intervening in the end delivery to the consumer of a connected product/service.
- In an overwhelmingly connected world, consumers should have **the right to be disconnected**. But to continue to enjoy the products they bought, also in a disconnected mode (toys, tvs, health monitors...).
- Many new technologies will **start making decisions for consumers**. That fundamentally changes the very basics of our free market principles, where (theoretically) well-informed consumers make rational decisions. If decisions are now entrusted to a machine or an algorithm, where does that leave consumers?
- What about **electromagnetic radiation** and the impact on human health? We are exposing our bodies, our brains, and that of our children to ever more radiation, while scientific research is not conclusive on what the effects of all this radiation might be. Are we generating a public health crisis in 50 years' time?

In the digital age, trust is an important resource. Digital products, applications and services are essential today to participate in social and economic life. Private life or working life without a smartphone, e-mail, instant messaging and social networks is probably unthinkable for most people. We use these tools to communicate highly confidential and private information, allowing them to gain deep insights into our lives and personalities.



Moreover, we are only at the beginning of a tremendous development in which such highly sensitive services will find their way into our daily lives: Big Data, Internet of things, smart assistants, smart home, smart cars and eHealth are just a few keywords. Such digital products and applications undoubtedly offer many opportunities. However, we will only be able to realise these opportunities fully if people can trust such services and technologies.

However, the trust of Europeans in the digital economy is in a bad state. According to figures from the EU Commission, only 33 percent of Europeans trust telephone companies and Internet service providers. Only 24 percent trust online businesses. 69 percent of Europeans are concerned that their data will be used for purposes other than those originally collected (such as direct marketing, targeted online advertising or profiling). 40 percent of European Internet users even avoid certain websites because they fear that their online activities are monitored.

As countless data protection scandals and court rulings in recent years have shown, people's fears are well founded. The market has failed to establish an adequate level of data and consumer protection, data security and competition.

Although many digital services are being used despite these concerns, we are giving away enormous potential. Studies show that even the success chances of exemplary or data protection-friendly services can be affected by the lack of consumer's trust, which can have a negative impact on health research, for example. If we really want to achieve the transition to a digital society and if digitalisation is to be a success, then we must take these developments seriously and take them with great concern.

Therefore, a strict and consumer-friendly interpretation of the General Data Protection Regulation is important. It is also important to have a strong e-Privacy Regulation that protects privacy and confidentiality in relation electronic communications. In addition, we must ensure that these regulations are not circumvented by new monopoly structures. Consequently, we must also make competition and antitrust law fit for the new challenges that come with digitalisation.

This is the only way to restore lost consumer trust, which is a basic requirement for the success of data-intensive business models in Europe. This will be crucial to fully realise the opportunities of digitalisation.

## Debate: Digital Finance – how can consumers profit?

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These are the highlights from the debate between Georgi Atanasoff, Better Finance for Bulgaria and Svetoslav Dimitrov, Non-Banking Credit Association. The debate was chaired by Ivaylo Lakov, Bloomberg TV Bulgaria.

- ❖ Children need to be educated in financial literacy.
- ❖ Central Banks need to focus more on consumers to raise financial awareness, so citizens can make informed decision when dealing with digital finance.
- ❖ How are consumers protected if a bank goes bankrupt? Deposits up to EUR 100 000 are secured in all Member States.
- ❖ We need to ensure that consumers too benefit from digital finance, not only banks.
- ❖ Who owns the massive amounts of personal data held on non-EU servers? If it is not used for illegal means, then it is at least used for marketing purposes. Consumers' explicit consent should be requested. Only when consumers agree, should this data be used.
- ❖ Fintech allows consumers to bypass banks. It can be used by consumers to transfer money at lower cost. However, Fintech is not only about transferring money, but also everyday banking services, simply digitalised.
- ❖ AI and algorithms in decision-making processes: can they create economic bubbles because they have access to huge amounts of information? What happens when 500 000 consumers make a decision based on an app's advice? Investors and consumers invest differently, but apps can help rationalise consumer decisions.
- ❖ Blockchain is an opportunity and cryptocurrencies are only one aspect. It is a gamechanger for the financial sector because it will change the perception of capital raising, allowing a stronger participation from the consumer side.

# Key conclusions

## *On making technology work for consumers...*

Our current legislative framework is **not fit for purpose** already today and certainly not future-proof. The concepts of safety and liability do not take account of the complexity of technological developments, nor of the interaction between products and services, with multiple professionals intervening in the end delivery to the consumer of a connected product/service.

**Increased convenience and e-participation:** Broadband connectivity and an ICT-enabled device such as a smartphone or computer can deliver immense time savings to the consumer; e.g. each person telecommuting can save on average over 100 hours a year in avoided traffic. In addition, the smart consumer will be in a position to participate in voting processes through e-participation. **e-services for well-being :** e-services such as e-health and e-learning improve the consumer's well-being. In addition, ICT helps consumers to reduce their personal expenses, for example for electricity, fuel, water and paper. E-services can deliver more than two times in savings than the cost of the service and device. **Using digital to expand horizons:** E-learning provides broader access to education and thus allows individuals to expand their horizons. This, in turn, can result in higher earning potential and digital literacy. University equivalent e-degrees can raise incomes by 11%, creating \$115 billion in additional annual income from over 50 million e-degrees in 2030.

## *On digital consumer trends in Europe...*

The amount of data being generated online is huge. The **consumer** actually **generates this data**, but companies are using it to **influence** what we are going to choose. So, rather than having customers having access to more data and making choices, the companies have this data and are making the choices for us. In 2017, there were **3.6 million Google searches per minute**. Amazon makes **\$250,000 per minute in sales**. A **100 million spam emails** are sent in one minute, as well as **15 million text messages**.

Data is also used to analyse **credit worthiness**. In certain cases, customers who use extra data packages on their phone are considered to be at higher risk of defaulting. Those customers who opt for family packages are not considered as likely to default. And this is only data captured from phones. When using apps there is even more comprehensive data available. The hot topics in the big data sector are: (i) the **upcoming General Data Protection Regulation**: this is of great concern to banks and telcom companies; (ii) the **Payment Services Directive**: this will be a game-changer in the financial sector.

Digital will not wait for 2022 to infiltrate our lives. It is here already, and it is here to stay and to grow. Technology evolves and sneaks into consumers' homes quicker than ever before. Yet our capacity to adapt our laws and our policies to make sure consumers are protected is not fast or ambitious enough.

## *On Big Data...*

In a perfect world, what we would like to see in the EU is **regulation that opens access to companies** like Google and Facebook, so that consumers can have access to their information and use that data to provide to any third party that might want to access it. Generally, **more data**

is **positive**. Access to more data, as seen in the financial world, leads to higher-quality loan portfolios. This means more of the right people get credit than those who do not deserve it, so it is **better for customer choice** too. This is especially true in emerging markets. Consumers need to understand how their data is being used and have an overview of what data is available about them.

### ***On responsible Artificial Intelligence...***

Artificial intelligence (AI) has the potential to **double annual economic growth rates** of developed economies and increase labour productivity by 40% within 20 years. The largest potential of AI lies in the partnership between humans and machines. That is why the roll out of AI needs to be **human centric**. While data can be analysed and processed more efficiently by machines, humans should remain in charge when it comes to critical decision-making, emotional intelligence, value judgements

**Automated decision making with AI** will increasingly be used for price discrimination or anticompetitive practices will lead to markets working differently than today – consumers risk being locked in and left in the deep dark

### ***On the age of post-mass-consumption...***

Governments and Civil Society Organizations (CSOs) should take the user-centric sharing economy framework to re-evaluate the impacts of various sharing solutions, and to guide the more **sustainable development** of sharing economy;

Public and private actors create Multi-Stakeholder Data Partnerships and Consumer Association of Data, which will make **relevant data accessible to interested actors** (e.g. Researchers, CSOs, entrepreneurs, consumers) and empower them to drive user-centric sharing economy;

### ***On the free flow of data...***

Seamless data mobility **saves costs** for businesses across the EU. What is essential is that many of the next generation digital services use the free flow of data for data analytics. This keeps us much more competitive on a global scale, showing that Europe is open to business with the rest of the world, leading to better products and services for consumers and more data will be available for data driven innovation for citizens and for business.

A tiny number of people today read the terms and agreements for services or products. This figure is estimated at **less than 1%**. Globally, **72% do not know what information is collected about them** by companies online. That is why GDPR, e-privacy and cybersecurity regulation is so important.

### ***On Digital Finance...***

Investors and consumers invest differently, but **apps can help rationalise consumer decisions**.

Blockchain is an opportunity and cryptocurrencies are only one aspect. It is a gamechanger for the financial sector because it will change the perception of capital raising, allowing a stronger participation from the consumer side.

## Interesting links

[The Digital Economy and Society Index \(DESI\)](#)

[EEESC European Consumer Day 2018](#)

[DG Justice and Consumers](#)

[European Consumer Centres Network](#)

[OECD study on digital economy](#)



### MORNING

- 9.30 Welcome address
- 9.50 Digital consumers: the EU vision
- 10.30 Keynote speech  
Consumers in 2022 – more digital or left behind?
- 10.45 Panel 1: The digital consumer in Europe today – which threats do we face?  
Mapping digital consumer trends in Europe  
Online dispute resolution  
What do consumers expect of the digital economy?  
Developments in consumer trust  
The impact of big data on consumer choice
- 12.00 Lunch



### AFTERNOON

- 13.00 Debate: Digital Finance – how can consumers profit?  
*moderated by Bloomberg TV*
- 14.00 Panel 2: Opportunities for the digital consumer  
The digital consumer in the age of post-mass consumption – the role of the sharing economy  
Digitalisation for ever better public services for consumers  
Fostering the power of responsible artificial intelligence  
Making technology work for consumers
- 15.00 Coffee break
- 15.15 Closing Panel: What is the EU doing for consumers in the digital economy?  
The free flow of data and consumer digital rights  
The Challenge of high-level Consumer Protection in the Digital Single Market  
The consumer priorities of the Bulgarian Presidency  
*Closing remarks*



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