

## NEW CHALLENGES OF THE INFORMATION SOCIETY

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**ABSTRACT:** *Promoting consumers rights, prosperity and wellbeing has always been the core values of the European Union. It has already been recognized that these issues have effect on the economy. The European Union is now facing with new challenges. To achieve the development of the internal market, the main objectives between 2007 and 2013 are to ensure: the safety of goods and services, a fair and transparent market, the consumers the possibility of making informed and rational choices and the exclusion of unfair market practices.*

*These objectives serve another aim: to make EU a trusted destination from the rest of the world.<sup>1</sup>*

*What kind of process did make the EU act so? The data of a recent research (Eurobarometer n. 252<sup>2</sup>) can give the answer. The almost 500 million EU consumers' consumption represents 58% of EU GDP. This is the reason why they are called the "lifeblood of the economy". The study also shows that the growing of the cross-border retail market in the EU has remarkable signs, but the benefits of e-technology haven't been used efficiently.*

*In this current study the main "milestones" of the development of the information society will be summarized. Through representing the main legal provisions and projects concerning to this topic, the results and the future aspects of these strategies will be presented.*

**KEYWORDS:** *consumers rights, wellbeing, safety of goods and services, unfair market practices,*

**JEL CLASSIFICATION:** *K 00, K 32*

### THE BEGINNINGS: 1994

The High-Level Group on Information Society was requested to prepare a report<sup>3</sup> on information society for the meeting of European Council held in Corfu in June 1994. The document, named after the group's chairperson, Martin Bangemann, urged measures to "carry

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<sup>1</sup> COM (2007) 99 final, 13.03.2007

<sup>2</sup> Consumer Protection in the Internal Market, Special Eurobarometer 252/ Wave 65.1 – TNS Opinion & Social ([http://ec.europa.eu/consumers/topics/eurobarometer\\_09-2006\\_en.pdf](http://ec.europa.eu/consumers/topics/eurobarometer_09-2006_en.pdf) 30.03.2008)

<sup>3</sup> Europe and the global information society (Recommendations of the high-level group on the information society to the Corfu European Council) It can be downloaded from the [http://www.ivir.nl/dossier/ARCHIEF/auteursrechtlijjn/bronnen/info\\_society\\_bangemann\\_1994\\_report.pdf](http://www.ivir.nl/dossier/ARCHIEF/auteursrechtlijjn/bronnen/info_society_bangemann_1994_report.pdf) (2008.03.27.) webpage.

<sup>4</sup> Alan Stone: How America Got On-line: Politics, Markets and the Revolution in Telecommunications (Armonk, New York, M.E. Sharp, 1997) p.120

the member states into the information age<sup>4</sup>. It was based on the realization that information and communication technologies (hereafter: ITCs) would have the same effect as the industrial revolution in the past. Although Europe had already taken part in this development, more action had to be achieved to obtain benefits. Its objective was to continue the process launched by the Commission's White Paper (Growth, Competitiveness and Employment: The Challenges and the Ways Forward into 21<sup>st</sup> Century)<sup>5</sup>. Some future expectations were also made. The information society would open up new prospects to citizens, consumers, regions, governments, SMEs, telecommunications operators, the equipment and softer suppliers. It also had "the potential to improve the quality of life of Europe's citizens, the efficiency of the social and economic organization and to reinforce cohesion". Last but not least it would lead to a more equal and balanced society. The group would mobilize resources of both private and public sector. Although, they designated private investments as the lifeblood of Europe's information society.<sup>6</sup>

The European Council examined the initiatives of Bangemann Report and agreed in general with the main proposals.

#### **EUROPE'S WAY TO THE INFORMATION SOCIETY<sup>7</sup>**

The European Commission also agreed with the statements and recommendations of the Bangemann Report and the Corfu Treaty. This communication contents those measures that should be taken at Community level as soon as possible to meet the requirements of a knowledge-based society. The Commission set out new proposals on four areas: regulatory and legal framework; networks, basic services, applications and content; social, societal and cultural aspects; and promotion of the information society. These aspects gave the frame of the action plan.

The Commission also announced specialized Communications that would be soon released. As the part of the program, the Commission established an Information Society Project Office as well.

#### **LIVING AND WORKING IN THE INFORMATION SOCIETY: PEOPLE FIRST<sup>8</sup>**

Former Communications and Reports dealt with the association and the participation of Europe in the global informational revolution. Mostly future expectations attributed these documents. In 1996 the Commission in its Green Paper debated issues concerning to the current situations. In these days the ITC tools and services has become an integral part of life. Preparatory period ended faster than it was expected. The benefits of ITCs (prosperity, higher standards of living) were still not queried but some worries also appeared. Two major concerns were composed concerning employment and democracy.

1. Maybe the ITCs would have a negative effect on employment: it would destroy more jobs than create.

2. Maybe the cost of the application would widen the gaps between industrial and developing countries, between young and old people.

<sup>5</sup> COM(93) 700 final, 05.12.1993

<sup>6</sup> See more: Kondricz Péter- Timár András: Az elektronikus kereskedelem jogi kérdései (Budapest, KJK-KERSZÖV Jogi és Üzleti kiadó Kft.,2000) pp.27-29.

<sup>7</sup> COM (94) 347 final, 19.07.1994

<sup>8</sup> COM (96) 389 final, 24.07.1996

The Commission aimed to satisfy these concerns with recommendations for instance about using ITCs in the education.<sup>9</sup>

These issues were also raised in another Communication (The Information Society: From Corfu to Dublin. The new emerging priorities.<sup>10</sup>). The Commission completed it with other objectives<sup>11</sup> to implicate Information Society in the European Policies.

### **THE INFORMATION SOCIETY AND DEVELOPMENT: THE ROLE OF THE EUROPEAN UNION<sup>12</sup>**

The benefits of ITCs could not only be the privilege of the industrialized countries.<sup>13</sup> It was recognized that less developed regions needed support to play an active part in the process. In this situation the European Union disclosed, to act as a bridge to connect the two “banks” (industrial and developing countries). The role of the international organizations in cooperation mechanisms was also emphasized. The European Union signed new cooperation agreement with developing non-member states and launched various projects (for instance to modernize telecommunication sector) in for instance Mozambique, Tanzania, Venezuela and Mexico.<sup>14</sup>

The Commission also took action to achieve the fully participation of developing countries in the global information society. It proposed the implementation of regional action plans to take into account the different economic, political and cultural perspectives. Insuring the access for the developing countries to the ITCs, the Commission highlighted areas such as:

1. creating regulatory framework,
2. human resources and technology transfer,
3. encouraging the interconnection of systems, supporting new services.

### **PUBLIC SECTOR INFORMATION: A KEY RESOURCE FOR EUROPE<sup>15</sup>**

The public sector information (PSI) plays an important role in the internal market and in the rights of EU citizens. Giving its definition is more difficult because the national legislators use various determinations.

The EC Treaty established fundamental rights for the citizens. Public Sector Information could help to exercise these rights without frontiers. The Commission gave also an example<sup>16</sup>

<sup>9</sup> See also: Sergio Cámara-Lapuente: Access to the Information of the Public Sector: Problems with Intellectual Property and Public Registers Regarding Safeguards for Consumer In: Consumer Law in the Information Society, Edited by Thomas Wilhelmsson, Salla Tuominen, Heli Tuomola (Hague, Kluwer Law International, 2001) pp. 307-327.

<sup>10</sup> COM (96) 395 final, 24.07.1996

<sup>11</sup> Key issues: “improving business environment”, “investing in future”, “meeting the global challenge”

<sup>12</sup> COM (97) 351 final, 15.07.1997

<sup>13</sup> As antecedent two conferences can be mentioned: G7 Conference on the information society in Brussels in February 1995 and Conference on the information society and development in Midrand in May 1996.

<sup>14</sup> About projects and their financing see more: Annex of COM (97) 351. final 15.07.1997

<sup>15</sup> COM (1998) 585 final, 20.01.1999

<sup>16</sup> This example is the EURES Network (The European Job Mobility Portal), a common network of job vacancies and learning opportunities all over Europe. (see more: <http://europa.eu.int/eures> 29.03.2008)(<http://ec.europa.eu/citizensrights/> 29.03.2008), EUR-Lex (<http://europa.eu.int/eur-lex/> 29.03.2008), CELEX (<http://europa.eu.int/celex/> 29.03.2008)

to demonstrate how effectively PSI can be used in employment. Information portals could also abolish barriers of internal market. In another aspect citizens should be able to play an active part in creating the Community. In order to this the citizens should be informed about all relevant European activities and released documents<sup>17</sup>. Currently more web sites serve the interests of EU citizens besides the European Union's official web site: <http://europa.eu.int>. For instance Citizens Signpost Service .

Businesses could also take advantages from PSI. Administrative and non-administrative (for instance geographic) information could also facilitate the extension of business activities within the Single European Market.

The development of ICTs has not avoided the public sector. Electronic Government services make its bodies more accessible to the EU citizens and businesses. According to the Communication these services could be availed in the field of everyday life, tele-administration and political participation. If ITCs are used effectively, E-Government can be the "driver of the Information Society".

#### **eEUROPE: AN INFORMATION SOCIETY FOR ALL<sup>18</sup>**

The eEurope initiative collected those objectives that needed to be achieved urgently in the European Union. Both the member states and the Commission as well as industry and citizens should act together with joint efforts. The Commission believes that if a dynamic response is given to the challenges of new economy, all citizens can reap its benefit.<sup>19</sup>

Education is a key issue in this process. By the end of 2002 the target was to domesticate the use of Internet at schools around Europe. This means that teachers should be well equipped in the use of multimedia tools and pupils should have high-speed Internet access in their classroom. After the liberalization of the telecommunication market (1998), the prices became lower and this resulted more application. The Commission also emphasized the importance of establishing new alternative infrastructures (for instance wireless and capable networks) to provide citizens with cheap and fast Internet access.

E-Commerce (selling and buying by using Internet) plays a significant role in influencing Europe's economy. Therefore the Commission accelerated to create the regulatory framework of an EU-wide electronic marketplace. Self-regulation should complete the legal provisions to meet the requirements of the changes. ITCs would widen the possibilities in the academic and professional life as well. Research and education networks should raise learning and training into new dimension. The students would have a faster and better access to learning materials. Finally these opportunities would lead to more research collaborations between universities around Europe.<sup>20</sup>

These targets were planned for the period between 2000 and 2002.<sup>21</sup> The European Council launched the second phase of the eEurope for the following three years, the eEurope 2005 Action Plan<sup>22</sup>. This program focused on how the exploiting of high speed connectivity

<sup>18</sup> COM (1999) 687 final, 08.12.1999

<sup>19</sup> The eEurope+ Action Plan contains similar issues prepared by EU Candidate Countries. [http://ec.europa/information\\_society/europe/i2010/docs/2002/action\\_plan/eeurope\\_2003.pdf](http://ec.europa/information_society/europe/i2010/docs/2002/action_plan/eeurope_2003.pdf) 29.03.2008)

<sup>20</sup> The eEurope 2002 Action Plan was based on the eEurope initiative.

<sup>21</sup> The Commission gave an evaluation report about the results of PROMISE (multiannual Community program to stimulate the establishment of Information Society between 1998-2002) including eEurope 2002 Action Plan. COM (2005) 260 final, 24.06.2005

<sup>22</sup> COM (2002) 263 final 28.05.2002

can be achieved to supply more developed applications and services both to the public and private sector.

### **i2010 – A EUROPEAN INFORMATION SOCIETY FOR GROWTH AND EMPLOYMENT<sup>23</sup>**

The challenges of the 21<sup>st</sup> century made the European Union organize collective steps in the field of information and communication technologies (ITC) used by public services, small and medium enterprises and households. The significant role of the ITC in the growth of GDP has already been proved as well as its positive effect on employment matters. This process creates new tasks for the European legislator because the legal framework should also be evolved by reviewing and - if necessary - modifying the current regulation. The core legal instruments that regulate the electronic communications sector are the followings:

- framework directive (2002/21/EC directive),
- access and interconnection directive (2002/19/EC directive),
- authorization directive (2002/20/EC directive)
- universal service directive (2002/22/EC directive)
- privacy and electronic communications directive (2002/58/EC directive),
- radio spectrum decision (2002/676/EC decision)
- competition directive (2002/77/EC directive).

The review of telecoms rules has already begun. The Commission urged the reform of this regulatory sector to create an effective internal market.<sup>24</sup>

Thus the European Commission has launched a new action plan (i2010<sup>25</sup>) in 2005 to encourage the development of the digital economy in the period from 2006 to 2010. The aim of the new strategy is to create a Single European Information Space, invest in research, make public services better, more cost effective and accessible as well as improve a better quality of life. The Commission in its first annual report in 2006 demanded the Member States to be more ambitious in the field of exploiting the benefits of ITCs. The second annual report in 2007 stated that “the overall balance sheet for 2006 was positive” after summarizing the achieved developments. For 2007 and 2008 the Commission also complemented the strategy with new proposals. According to the Single European Information Society the Commission will continue for instance the review of the regulatory framework on electronic communications and release a Communication about cybercrime. Research and innovation is still in the focus of the Commission’s strategy. Therefore three main objectives are highlighted for the next years: providing efficient and interoperable eGovernment services, ITCs for ageing and social integration and for sustainable and interoperable health services. To improve the quality of citizens’ life, the Commission will also launch new initiative dealing with energy efficiency and environmental sustainability. The Annual Report 2007 is also annexed with a summary of national profiles according to ICT.<sup>26</sup>

<sup>23</sup> COM (2005) 229 final 01.06.2005

<sup>24</sup> See more: Reforming the current telecom rules, [http://ec.europa.eu/information\\_society/policy/ecomn/tomorrow/index\\_en.htm](http://ec.europa.eu/information_society/policy/ecomn/tomorrow/index_en.htm) (25.03.2008)

<sup>25</sup> “i” in the title refers to the following three issues: information space, innovation and investment in ICT and inclusion. See more speech of Vivien Reding: i2010: The European Commission’s to boost the competitiveness in the ICT sector, Microsoft’s Government Leaders Forum held in Prague on 31st of January 2005 (<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/05/61&aged=0&language=EN&guiLanguage=en> 29.03.2008)

<sup>26</sup> [http://ec.europa.eu/information\\_society/europe/i210/docs/annual\\_report/2007/i2010\\_ar\\_2007\\_en.pdf](http://ec.europa.eu/information_society/europe/i210/docs/annual_report/2007/i2010_ar_2007_en.pdf) (29.03.2008)

### HUNGARIAN INFORMATION SOCIETY STRATEGY

In 2003 the Hungarian Government accepted the Information Society Strategy drafted by the Ministry of Informatics and Communications. It contains those measures that need to be taken to create the necessary conditions of information society in Hungary. The strategy based on two pillars: the modernization of processes and the modernization of services. The key areas are: content and services, infrastructure, knowledge and skills, legal and social environment.<sup>27</sup> Within the framework of the strategy a new program was also launched in 2003, called eHungary. Due to this initiative more than 3000 access-points have been established in the country.<sup>28</sup>

### CONCLUSIONS

In the 21<sup>st</sup> century Internet has become a significant phenomenon of our lives. The study of the Eurobarometer showed that nearly every second EU citizen has Internet connection at home in 2005. Other alternative access points can also be found, for instance in schools, workplaces, public libraries, etc. The development of ITCs is faster than it has ever been expected. The question is: can European Union keep pace with the new challenges.

The European Commission in its Communications gives new ideas and initiative year after year to facilitate the enforcement of strategies. As we have seen the fundamental issues have not changed in the development process. The core objective is the same: how Europe can play an active part in the global competition. Although, some measures have already been taken to achieve this aim but maybe the European Union responds to the new challenges of the information society not enough fast to implement all planned actions in time.

According to the above mentioned research, the confidence of the consumers in using Internet for instance for purchasing products is relatively low. It might result from the legal regulation. Maybe it is worth deliberating with the creation of an adequate legal regulatory basis for information society. Also in this field it should be taken into account that technological revolution changes rapidly. The European Union has the mission to give a better quality of life for its citizens with making available the latest technological inventions to the public. Without harmonized legal provisions more barriers might enhance than expire relating to these issues.

No doubt, the European Union has to cooperate with the member states to adopt the Community initiatives at the national level. Maybe with their joint efforts the following aim would possibly be implemented: “every user being able to connect everywhere, anytime with access to adapted and high-quality content and communication services, in a safe and accessible environment”<sup>29</sup>.

<sup>27</sup> See more [http:// www.gkm.gov.hu/data/cms1057442/mits\\_2003\\_eng.pdf](http://www.gkm.gov.hu/data/cms1057442/mits_2003_eng.pdf)

<sup>28</sup> See more <http://www.emagyarorszag.hu>

<sup>29</sup> i2010 High Level Group: The Challenges of Convergence (discussion paper) 12.12.2006 [http://ec.europa.eu/information\\_society/eeurope/i2010/docs/high\\_level\\_group/i2010\\_hlg\\_convergence\\_paper\\_final.pdf](http://ec.europa.eu/information_society/eeurope/i2010/docs/high_level_group/i2010_hlg_convergence_paper_final.pdf) 29.03.2008)

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