



The Consumer Voice in Europe

# EUROPE 2020 STRATEGY

## BEUC Response to the EC Public Consultation

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Below are BEUC's responses to the European Commission's questionnaire

**B) Questions:**

**1) Taking stock: the Europe 2020 strategy over 2010-2014**

***Content and implementation***

- For you, what does the Europe 2020 strategy mean? What are the main elements that you associate with the strategy?

For BEUC, as expressed in our 2010 response to the consultation on the future EU2020 strategy, a much broader approach for an EU strategy, beyond the competitiveness of the EU economy would be needed. We consider that the concept of the current EU2020 strategy is too much driven only by an industry-centric economic growth perspective and does not sufficiently target the objective to enhance people's welfare and quality of life as the ultimate value.

For example, the key priorities such as research, the innovation and the promotion of new technologies should not become a means of endangering citizens' human rights to have their privacy protected; empowerment of people goes far beyond access to jobs and refers to basic services, health, digital technology, complaint handling mechanisms, etc. Greening the economy should be extended to making the economy more sustainable.

For the forthcoming agenda of the new European Commission's first vice-president for "Better regulation", which may also affect the EU2020 strategy, we underline that reducing consumer protection or environment protection standards must not be an option under the heading of "better or smart" regulation or the REFIT initiative. Rather than focusing the rhetoric on cutting red tape and costs for SMEs, a broader approach embracing the welfare and quality of life of all EU citizens should be made visible.

The positive relationship between an ambitious regulatory framework and a competitive market place should be highlighted more particularly in the international context, as regulation can often boost innovation and the EU can position itself globally as champion of innovation and high standards.

However, it is obvious that since the strategy has started to being implemented, numerous EU initiatives – part of the 2020 strategy or not - have been finalised by the EU institutions which contribute or will hopefully soon contribute to increasing citizens/consumers benefits across the EU.

In the context of strategic policy making, BEUC welcomed in particularly the adoption of the European Commission's 2012 Consumer Agenda which for the first time was declared a strategic initiative under the Barroso II Commission.

BEUC recommends that the Consumer Agenda should be revised to be expanded to 2020 and to become an integral part of the EU 2020 strategy.

However, much needs to be done to achieve the objectives of a EU2020 strategy, which should be re-oriented as follows:

- Re-orienting the strategy and its objectives in a manner that success indicators go beyond mere GDP growth but rather focus on a sustainable economy and society.
- Defining “better regulation” objectives with a view to increasing citizens’ welfare and an inclusive society.
- Including consumer policy prominently as an essential policy to reach out to EU citizens and deliver tangible results for them
- Identifying the possibilities for economic or other gains and/or the realisation of a ‘public good’ through common action at EU level in specific policy areas and sectors to identify the “ Cost of Non-Europe”
- For more general comments please also refer to our response on the EU2020 strategy consultation in 2010<sup>1</sup> and to our strategy paper about the EU Consumers’ 2020 Vision<sup>2</sup>.

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| <ul style="list-style-type: none"><li>● Overall, do you think that the Europe 2020 strategy has made a difference? Please explain.</li></ul> |
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See our answer below – the positive results for consumers are only partially related to the EU2020 strategy.

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| <ul style="list-style-type: none"><li>● Has the knowledge of what other EU countries are doing in Europe 2020 areas impacted on the approach followed in your country? Please give examples.</li></ul> |
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Not relevant for a European organisation.

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| <ul style="list-style-type: none"><li>● Has there been sufficient involvement of stakeholders in the Europe 2020 strategy? Are you involved in the Europe 2020 strategy? Would you like to be more involved? If yes, how?</li></ul> |
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BEUC has been involved as an interest representative at EU level in the specific initiatives under the relevant targets or actions.

This involvement did not differ from any other EU initiatives that we would be involved in according to our mission and tasks.

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<sup>1</sup> See BEUC’s response to the Consultation on the future « EU 2020 » strategy, BEUC/X/2010/02 accessible at: [www.beuc.eu](http://www.beuc.eu)

<sup>2</sup> See BEUC’s EU consumers’ 2020 Vision, BEUC/X/2012/033 accessible at [www.beuc.eu](http://www.beuc.eu)

We however would like to mention as a positive example that setting up of the high level platform on resource efficiency to which BEUC had been invited to join, was very useful and productive initiative. The mandate of the platform came to an end in 2014 but it would be important that the next Commission carries on with concrete suggestions and measures to further improve resource efficiency in the context of the EU 2020 strategy.

### **Tools**

✚ Do the current targets for 2020 respond to the strategy's objectives of fostering growth and jobs? [Targets: *to have at least 75% of people aged 20-64 in employment; to invest 3% of GDP in research and development; to cut greenhouse gas emissions by at least 20%, increase the share of renewables to 20% and improve energy efficiency by 20%; to reduce school drop-out rates to below 10% and increase the share of young people with a third-level degree or diploma to at least 40%; to ensure at least 20 million fewer people are at risk of poverty or social exclusion*].

✚ **Below we only comment on the most relevant targets for BEUC's work:**

#### **Greenhouse gas emissions**

The consultation document points out that the member states are doing well in terms of cutting greenhouse emissions in non-ETS sectors. Car transport, which is a very important area for consumers, is not an ETS sector as specific legislation to cut down CO2 emissions has been adopted.

Altroconsumo has recently tested two car models and compared the fuel consumption with the declared fuel consumption of the manufacturers that they gave on the car label.

Our member from Italy, Altroconsumo found large discrepancies which suggest the car manufacturers investigated are considerably exaggerating fuel efficiency. There is plenty of other evidence that also indicates car manufacturers are manipulating the test procedures. **This scenario undermines the EU's greenhouse gas emission targets as the evidence suggests automobile Green House Gas emissions reductions have not been as significant as otherwise suggested, but rather that significant reductions have been achieved in the test results because of test manipulation.**

If car manufacturers are not investing in new energy efficiency technologies as they otherwise should be, then it is also the case that they are not boosting the potential of OEMs (Original Equipment Manufacturers). In this, there is plenty of evidence to suggest that car manufacturers have at their disposal several technologies and materials (such as light weighting with aluminium) that they could be further investing in to reduce emissions of their vehicles. Without such investment, it is these companies who are providing energy efficient technological solutions who are potentially losing out and what in turn would negatively impact on jobs and green growth.

Additionally, Eco design, Energy Labelling, Energy Star and Tyre Labelling measures can play a major role in reducing the overall energy use and they can contribute to energy security. It is estimated that close to 7000 PJ (petajoule) will be saved through such measures by 2020. This is 19% of the total consumption from these product group functions.

The 2020 savings represent approximately 9% of the current EU energy consumption total and 7 % of the carbon emission total (footnote 3).

BEUC is actively involved in the development of Ecodesign and Energy Labelling measures of consumer relevant measures advocates in favour of a high level of ambition.

### ***Energy efficiency***

With the continuous increase of energy prices, European consumers seek more and more energy efficient solutions for their households. BEUC agrees that energy efficiency is one of the most cost-effective, if not the most cost-effective, ways of reducing energy bills and in addition of enhancing security of supply, reducing the need for new generation capacity and reducing carbon emissions.

A transition to a low carbon economy based on carbon minimization in all sectors will be crucial to limit the effects of climate change. But a transition towards low-carbon energy systems can only be achieved by building a low carbon society. This requires ambitious energy efficiency policies, increasing the share of renewable energy sources and guiding consumers towards better choices.

As BEUC highlighted also in a response<sup>4</sup> to the European Commission's *public consultation on the review of progress towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework*, measures on energy efficiency must be set at the most cost-effective levels resulting in the smallest pay-back periods possible and need to be supported by appropriate incentives. Information concerning energy efficiency should be transparent, in order to gain consumer trust and motivation to invest in more efficient technologies. EU legislators should therefore focus not only on the benefits that energy efficiency can bring to consumers, but they should closely monitor the costs of measures and real benefits delivered to consumers.

Energy being such an essential, everyday commodity, policy-makers must make sure that consumers are fully protected and helped to get the best deal possible. At the same time, policies need to include the principle of affordability and avoid discrimination against vulnerable consumers, particularly those on low-income. Therefore, the needs of vulnerable consumers have to be an integral part of all efficiency policies.

Moreover, the Energy Efficiency Directive, approved in 2012, outlines measures to use energy more efficiently at all stages of the energy chain as well as establishes a common framework of measures for the promotion of energy efficiency in order to achieve the EU 2020 target on energy efficiency. In this respect,

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<sup>3</sup> ECODESIGN IMPACT ACCOUNTING Part 1 – Status Nov. 2013 – VKH.

<sup>4</sup> See the BEUC/ANEC position on the European Commission's public consultation on the review of progress towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework, BEUC/X/2014/18 accessible at [www.beuc.eu](http://www.beuc.eu)

**BEUC strongly believes that proper and timely implementation of the Energy Efficiency Directive across Europe is indeed crucial to meet the EU2020 strategies objectives.**

Furthermore, a greater co-ordination between energy efficiency policies as well as policies related to new technologies and demand response will be needed as these can open new opportunities for consumer to manage and reduce their consumption.

### ***Social policy - fight against poverty or social exclusion***

BEUC does not work directly on social inclusion and the fight against poverty. However, we ask the European Commission to include or to qualify measures against consumers' **over-indebtedness** as measures of relevance for the flagship "fight against poverty".

Although BEUC's recommendations in this respect are mainly oriented towards the protection of consumers in the field of financial services, however the measures that we aim for - like introducing binding protective measures to establish a personal bankruptcy procedure across the EU, or to stop predatory lending such as short term loans with very high interest rates clearly have an angle of poverty prevention.

Supporting consumers to recover from over-indebtedness and to restore a healthy financial situation which allows them to consume again is an essential policy aim in the current post economic crisis situation.

- Among current targets, do you consider that some are more important than others? Please explain.

No opinion as we do not work on all targets' policies.

- Do you find it useful that EU-level targets are broken down into national targets? If so, what is, in your view, the best way to set national targets? So far, have the national targets been set appropriately/too ambitiously/not ambitiously enough?

No comment.

- What has been the added value of the seven action programmes for growth? Do you have concrete examples of the impact of such programmes? [*"Flagship initiatives": "Digital agenda for Europe", "Innovation Union", "Youth on the move", "Resource efficient Europe", "An industrial policy for the globalisation era", "Agenda for new skills and jobs", "European platform against poverty"*].

**Below we only comment on the most relevant flagships for BEUC's work:**

***Digital Agenda for Europe***

BEUC has been supportive of the EU Digital Agenda as an instrument to develop a comprehensive EU policy agenda addressing the shortcomings in the digital economy and addressing societal challenges through ICT. It has provided a useful tool to identify priority actions and coordinate efforts, both at EU and national level, towards achieving concrete progress towards the establishment of a truly functioning Digital Single Market. A truly functioning single market would benefit consumers and businesses by bringing wider choice, lower prices and higher broadband speeds.

However, five years after its adoption and despite the majority of actions being undertaken, the Digital Single Market remains fragmented alongside national borders, with public service infrastructures and online commerce still being determined by national territories. Consumers seeking to get access to goods and services from different Member States are often denied access due to their place of residence, while they find it increasingly difficult to have their rights enforced in a different Member State. Territoriality of copyright law is the main obstacle to the development of a Digital Single Market. Nevertheless, the European Commission has been reluctant to undertake a comprehensive reform with the aim of making the EU copyright framework fit for purpose in the digital environment.

Telecom markets remain an important sector of concern for all European consumers, as general satisfaction with telecom services remains low. In an ever more interconnected world, consumers spend increasing amounts of time and money on the internet, connecting with others and leading digital lives. Much remains to be done in order to establish a real Single Market that consumers can enjoy and tackle the most important consumer issues on which these markets still fail to deliver, namely on guaranteeing a high level of consumer protection and securing a right to access the open internet. The legislative proposal on connected continent, still under discussions in the Council, will help address some of the issues related. However, while many of the declared objectives in this proposed Regulation go in the right direction, others have been causes of serious concern.

A lot of energy has been wasted in developing legislative proposals that will do nothing to accelerate the development of the Digital Single Market. For instance, despite the fact that consumers' trust is a key element of the Digital Single Market, the European Commission has been pushing for the adoption of an optional instrument for **sales law** (CESL) that would only generate confusion, increase legal complexity and uncertainty as well as transaction costs.

One area where the European Commission has delivered to European consumers' expectations has been **protection of personal data**. Consumer confidence is essential to economic recovery. According to the Eurobarometer survey (No. 390), a lack of consumer trust acts as a significant barrier to the development of e-commerce and the digital economy. A solid legal framework for data protection would help boost consumer confidence, especially in the complex online environment. Innovation will only be able to be rolled out on a large scale if people trust the way their data is being handled. The proposal for a Regulation on Data Protection strikes the right balance between, on one hand the need for an effective system of data protection, and on the other for innovation to develop.



**BEUC strongly believes that for the European Digital Agenda to deliver, renewed commitment and targeted action is necessary, the priority being on building consumers' trust through the adoption of strong and enforceable rights.**

### ***Resource efficient Europe***

**BEUC sees an important need for the future Commission to develop concrete ambitious actions which will follow up on the Commission's recent communication "Towards a circular economy: A zero waste programme for Europe".**

The communication has taken up key recommendations of the EU High Level Platform on Resource Efficiency to which BEUC was a member and which are of importance to consumers. Namely the communication mentions the need to design products so that they last longer, can be better repaired and recycled. Furthermore the communication points out the need to promote the sharing economy and new models of consumption while keeping consumer's rights ensured. The communication also highlights the need to empower consumers to make informed choices through better information on green credentials of different products.

Finally, the communication also points out the importance of Ecodesign of products in order to achieve more sustainable consumption and production. BEUC is very much supportive of the Ecodesign instrument and sees a need to cover more consumer relevant product groups under the future work plan 2015-2017 and a higher level of ambition in the planned upcoming revision of several consumer relevant product groups such as washing machines, cold appliances and dishwashers.

With regard to future Commission actions, we see an urgent need to focus in the resource efficiency agenda also on the use of **hazardous chemicals in consumer articles**. Only in case hazardous chemicals can be avoided and being replaced by safer alternatives, a true circular economy can become a safe option for consumers. In this respect, the EU should endeavour to implement the 7th Environmental Action Programme, and in particular its priority objectives on resource efficiency, a non-toxic environment and sustainable consumption and production.

The energy efficiency and climate change needs to be considered in the wider context of **sustainable consumption and production**. Thus, more needs to be done to integrate all relevant environmental aspects as early as possible in the design phase of consumer products in order to reduce their environmental impact. Moreover, the EU should reinforce the policy instruments relating to sustainable consumption and production. In addition to the EU Ecodesign and Energy Label Directives, other market based tools such as Green Public Procurement and the EU Ecolabel can play a crucial role in fostering technological innovations towards more resource efficient design of materials, processes and products. Increased support and promotion by the of the EU Ecolabel will support better and more reliable information for consumers, whose purchasing choices can also contribute to a more resource efficient market.

However, the EU needs to act against misleading green claims which confuse consumers (48% of Europeans say they don't trust products' environmental performance claims) and act as a barrier for the uptake of reliable and coherent ecolabelled products and services.



With regard to **transport**, improving resource efficiency in terms of fuel usage is an important goal for consumers as motorists across Europe have faced high fuel costs over recent years but also expect to see higher fuel prices in the future. Therefore, the targets set for 2020 are extremely important in this regard, so as to incentivise car manufacturers to invest in fuel efficiency technologies and reduce the cost of driving for EU citizens.

However, as mentioned earlier, car manufacturers are seemingly investing more effort in manipulating the monitoring of their greenhouse gas emission emissions rather than investing in new energy efficiency technologies. Therefore, it is integral for the very legitimacy of the 2020 CO2 targets for new cars, to implement a new testing procedure (the WLTP) by 2017 and have further safeguards in place so as to ensure that car manufacturers cannot manipulate the monitoring of GHG emissions.

## **2) Adapting the Europe 2020 strategy: the growth strategy for a post-crisis Europe**

### ***Content and implementation***

- Does the EU need a comprehensive and overarching medium-term strategy for growth and jobs for the coming years?

Yes

- What are the most important and relevant areas to be addressed in order to achieve smart, sustainable and inclusive growth?

Below we list a series of highly relevant actions that the European Commission should take in order to ensure smart, sustainable and inclusive growth for the welfare of all European consumers and citizens.

The recommended actions go beyond the current EU2020 strategy's targets and flagships and address consumers' priority needs in the field of the digital agenda, food policy, consumer rights, financial services, safety, sustainability, energy, health and international trade.

### Digital Agenda

#### ***Copyright***

- Revise the EU Copyright Directive with the aim of establishing a single market for online content and providing both consumers and creators with legal certainty of their rights.
- On distribution of audio-visual content, revise the current system of nationally-based release windows and eliminate 'media chronology' in audio-visual content distribution.
- Recognise a clear set of consumers' rights for content legally bought and ensure permitted uses cannot be overridden by unfair contractual terms and/or the use of technical protection measures.

- Protect the public domain as an essential tool of access to knowledge, information and content.
- Adopt a Recommendation to make national systems of copyright levies more coherent in those Member States with a system in place and launch a discussion on their progressive phasing-out and the development of alternative systems of fair compensation.
- Ensure measures for enforcement of copyright online are proportionate and respect consumers' fundamental rights, such as the right to fair licence conditions and the constitutional principles of privacy, confidentiality of communication and due process.

### ***Data Protection and Privacy***

- Maintain strong support for the proposed Data Protection Regulation and push for concluding legislators' negotiations on the new rules in first half of 2015.
- Ensure the future Transatlantic Trade Agreement between the EU and US does not undermine the EU privacy framework and European consumers' fundamental rights.
- Reform the Safe Harbour Agreement for the transfer of personal data between the EU and the US to ensure EU privacy standards are met when the data of Europeans are transferred to the US.
- Address the specific issues related to 'new' digital practices, including online tracking, mobile apps, the 'Internet of Things' etc..., by closely monitoring technological developments, clarifying the application of the current rules and ensuring their enforcement.

### ***Telecoms***

- Guarantee the telecommunications regulatory framework reform safeguards consumers' interests, reinforces their rights and tackles the most important issues on which the markets fail to deliver - namely guaranteeing a high level of consumer protection and establishing a true Single Market for electronic and digital communications.
- Protect the internet's economic model based on the principle of Net Neutrality, securing the consumer's right to access the open internet without undue discrimination and preventing internet access providers from becoming gatekeepers of content and services online.
- Work towards the scope of the Universal Services Directive being extended to fast internet access.

- Promote thriving competition within telecom markets to the benefit of consumers, boosting innovation, increasing choice and putting downward pressure on prices.

## Food Policy

### ***Food safety***

- Safeguard the core principles of EU food law, namely the Precautionary Principle, the EU's approach to food risk analysis and the 'farm to fork' concept.
- Strengthen official controls to ensure food is both safe and authentic. The ongoing update of the EU's official controls framework should not lead to giving inspection tasks to slaughterhouse staff or food companies.
- As the EU legislation on novel foods is revised, support a robust legal framework for novel foods (e.g. nano-food) safety assessment and pre-market approval.
- Curb the overuse and misuse of antibiotics in farm animals.

### ***Food Information***

- Introduce mandatory 'Country of Origin Labelling' (COOL) for meat used as an ingredient in foods, for milk and milk used as an ingredient in dairy, as well as 'single ingredient' foods, unprocessed foods and the primary ingredient of composite foodstuffs.
- In the context of the ongoing discussions on the cloning proposals as well as the expected update of nanomaterial definitions for food labelling purposes, allow consumers to make informed choices when it comes to food produced with the use of technologies such as cloning or nanotechnologies.
- Request EFSA (The European Food Safety Authority) to swiftly resume assessing health claims on botanicals, using as high a scientific standard as for all other food claims.
- Publish a proposal for nutrient profiles which reflects the purpose of the Health Claims Regulation i.e. is to ensure claims cannot mask the overall nutritional status of a food.
- Propose an EU-wide regulation restricting the advertising and marketing of food and drinks high in fat, sugar and salt to children.
- Keep food reformulation high on the agenda of the EU Platform for Diet, Physical Activity & Health.

## Consumer Rights and Enforcement

### ***Revision and completion of the consumer law acquis***

- Propose initiatives to improve consumer protection for the use and purchase of digital content so European consumers can fully exploit the potential of e-commerce, new technologies and new business models in legal certainty and that clear modern and consumer-oriented rights are provided in this field.
- Ensure the European Commission's forthcoming 'REFIT' initiative which will evaluate and consolidate parts of the current EU consumer law *acquis* (such as the rules on unfair commercial practices, advertising, legal guarantees) puts consumers' interests upfront and establishes a solid legal framework for all consumers.
- Modernisation of the consumer law *acquis* should not only be seen as the simplification and lessening of burdens for business, but must first aim to increase welfare and address consumer detriment consumers/citizens.
- For any proposed EU consumer legislation, seek a flexible harmonisation technique whereby full harmonisation is only applied where it sets a very high level of consumer protection and provides clear benefits to consumers.
- Any new proposal on consumer law should not be an "optional" instrument as optional law is inappropriate for regulating business to consumer transactions. If work on the proposed Common European Sales law is continued, consumer contracts should be excluded from the scope.
- Guarantee any EU harmonisation initiative on insurance contract law is not an optional instrument, focuses on protecting the insured consumer and does not deprive consumers from the well-established rights they enjoy under their current legal system.
- Any forthcoming review of the Rome I regulation stipulating the applicable contract law in cross-border situations should not deviate from the current consumer-friendly EU conflict of law regime, but instead concentrate on clarifying the respective rules and their enforceability.

### ***Rights of passengers and holiday-makers***

- Support the European Parliament first reading Resolution on the revision of the Air Passenger Rights Regulation including: supporting the application of the right to compensation for all flights as of 3 hours of delay following the ECJ rulings and a full ban of 'no-show' clauses in air transport contracts.

- Put forward a legislative proposal to guarantee the right to reimbursement and repatriation of passengers when airlines go insolvent.
- Propose legislation of a blacklist of unfair terms in air transport contracts which puts an end to systematic consumer detriment in this sector.
- As regards the review of the Package Travel Directive, support a case by case approach to full harmonisation and maintain the principle of minimum harmonisation as the default. A future-proof approach on the pending revision of the Directive including the extension of its scope to online 'click-through' contracts which follows the same business model as traditional packages.

### ***Redress for consumers***

- Involve European and national consumer organisations at an early stage in the preparatory work for the assessment of the 2013 Recommendation on common principles for injunctive and compensatory collective redress mechanisms, due by 2017.
- Assess the full dimension of the functioning of the national collective redress tools, potential strengths/weaknesses of national systems and improvements made by Member States;
- Accompany this report with a proposal for a binding measure in case the recommendation did not provide the necessary results for European consumers.
- Create a platform between the European Commission, national authorities, consumer organisations and other stakeholders to compare and draw conclusions in the light of a potential need for further binding measures to ensure collective redress is available and can be efficiently used in all Member States for cross-border claims.

### ***Enforcement of consumer protection legislation***

- In the framework of the review of the Regulation on consumer protection cooperation (CPC Regulation), strengthen the investigative and sanctioning powers of national enforcement authorities so they can effectively target infringements and facilitate consumer redress.
- In order to properly address pan-European infringements, launch a discussion on the European Commission's powers in the enforcement of consumer rights.
- Find ways to strengthen the relationship and information sharing between consumer organisations and national enforcers, as well as the dialogue with the European Commission. The coordination of resources and efforts of public

and private enforcement are needed to effectively tackle various infringements of consumer rights in Europe.

- Closely follow the implementation of the Alternative Dispute Resolution Directive and make sure Member States establish schemes which are independent, transparent and consumer-friendly.

## Financial Services

### ***Payment Services***

- Ensure all retail payment services, irrespective of the technology used and the underlying payment method, are efficient, safe and respectful of consumers' privacy.
- In cooperation with the European Central Bank, consumer organisations and other relevant stakeholders, identify and address all the remaining barriers to the completion of the single market of payment services for consumers.
- Push for the emergence of alternative pan-European payment solutions in the area of card payments, as well as innovative payments.

### ***Enforcement on financial services legislation***

- Adopt binding measures ensuring in all member states there are financial supervisors with a strong consumer protection mandate, sufficient resources and powers to fulfil it.
- A stronger financial supervisor is in charge of consumer protection at EU level (European Supervisory Authorities).

### ***Over-indebtedness***

- Introduce binding measures to prevent over-indebtedness, in particular against predatory lending such as short term loans with very high interest rates.
- Adopt measures to give consumers access to debt advice.
- Introduce binding measures which facilitate restructuring of loan repayments when consumers are faced with falling incomes so as to avoid foreclosures and repossessions.
- Introduce binding protective measures to establish a personal bankruptcy procedure across the EU.

### ***Financial advice***

- Promote affordable and independent advice everywhere in the EU.
- Introduce binding rules banning inducements for advisory services.

### ***Product intervention***

- Strengthen the relevant European Supervisory Authorities and national financial supervisors in their capacity to actively intervene in the market by giving them the necessary mandate and resources.
- Adopt measures which aim to improve the design of financial products and thereby truly serve consumers' needs.

### Sustainability

- Drive the EU's agenda on resource efficiency as outlined in the EU Commission Communication on Circular Economy of 2014. This underlines the importance of sustainable product design, lasting longer, repairable, upgradable, recyclable. Encourage better consumer choice through renting, lending or sharing services while ensuring that consumer's legal rights are respected.
- Implement the goals on sustainable consumption and production and for a non-toxic environment as outlined in the 7th Environment Action Programme: "Living well, within the limits of our planet".
- Implement an ambitious sustainable product policy which will phase out 20% of the worst performing appliances per product category via Eco-design.
- Use the opportunity of the upcoming revision of Ecodesign and Energy labelling measures, relevant to consumers (washing machines, cold appliances, dishwashers), to raise their ambition level.
- Reform the EU Energy Label scheme which will ensure consumers receive meaningful information on products low in energy consumption and which stimulate demand for the most energy efficient appliances.
- Support and promote the eco-label scheme illustrated by the EU Flower as a label of environmental excellence, awarding it to only 10-20% of the best products on the market and addressing all environmental expectations including substitution of dangerous chemicals.
- Implement an ambitious European transport policy further improving the energy efficiency of cars; providing transparent information to consumers about real life fuel consumption; and strengthening the integration and use of different transport modes.



## Safety

### ***Chemicals in products***

- Follow up on the Commission's Communication on mixture toxicity with concrete measures which adjust the EU's risk assessment and risk management methods taking into account the 'chemical cocktail' effect.
- As a matter of urgency, define science-based criteria for endocrine disruptors (EDCs) and listing all hazardous EDCs on the list of Substances of Very high Concern.
- Introduce a mandatory reporting scheme for manufacturers of nanomaterials which ensures full traceability along the supply chain and introduces a public inventory of all consumer products containing nanomaterials to ensure transparency and proper risk assessment.
- Make mandatory the labelling of consumer products containing nanomaterials and which consumers come in direct, close or regular contact with (such as food products and clothing).
- Bring forward the development of adequate safety and risk assessment methodologies taking account of all characteristics of nanomaterials.
- Increase funding for research on the environmental, health and safety risks of the cocktail effect, endocrine disruptors and nanomaterials.

### ***General Product Safety and Market Surveillance***

- Engage with the Council to unblock the issue of country of origin labelling in the proposed Product Safety and Market Surveillance Package by prioritising quick adoption of the proposal. This is urgently needed to improve consumer safety, rather than insisting on mandatory country of origin labelling which does not provide added value.
- Ensure a more effective market surveillance system by developing a European market surveillance framework and wider access to information about dangerous products. An EU-funded accident statistical system and a European complaints handling and reporting point ought to be put in place.
- Support the important amendments of the European Parliament with regard to the precautionary principle in relation to Product Safety and Market Surveillance.

## Health

- Guarantee that all European consumers have access to high quality healthcare and can afford health treatments.
- Ensure the revision of the EU legislation on medical devices will improve the safety and effectiveness of medical devices on the market and will allow consumers to have more information about the products (e.g. implants, self-testing devices, results of clinical investigations, market surveillance data).
- Guarantee that the new European Medicines Agency policy on publication of clinical data allows meaningful access to clinical trials results for consumers, healthcare professionals and independent researchers.
- Make sure that the transparency provisions of the Regulation on clinical trials are properly implemented and not undermined by an extensive definition of commercial confidentiality.
- Promote transparency and accountability in the healthcare sector.
- Ensure information about medicines and medical devices is of high-quality, comparative and not promotional.
- Promote the rational use of medicines and protect consumers from misleading advertising.
- Support independent research and post-approval safety studies on the potential long-term effects of medicines.
- Conduct public information campaigns drawing consumers' attention to the importance of reporting side-effects and the risk of counterfeit medicines.
- Closely monitor the functioning of markets in the pharmaceutical sector (e.g. Avastin vs. Lucentis case).
- Ensure consumers have clear healthcare rights in their country and when they seek healthcare abroad.
- Encourage the use of Health Technology Assessment and e-Health for more efficient healthcare systems.

## Energy

### ***Energy markets: future energy and climate policies***

- Ensure complete and effective implementation of relevant EU legislation (such as the 3rd Energy Package and Energy Efficiency Directive). The internal energy market needs to be urgently completed to allow consumers

to reap the benefits of truly competitive, consumer-friendly energy markets, delivering real choice.

- Co-ordinate a systematic review of consumer protection rules with Member States and National Regulatory Authorities (NRAs). Assessments should be made whether the safeguards in place are fit to cope with fast-changing energy markets and if new smart technologies are designed in a consumer friendly way. Measures addressing any identified gaps and challenges should be proposed without undue delay.
- Build energy and climate policies on the most long-term and cost-effective solutions, while keeping energy affordable and avoiding discrimination against vulnerable consumers.
- Ensure distributional impact assessments of EU and national policies distinguishing between various consumer groups are carried out to tailor different initiatives.

#### International Trade and TTIP

- Step up the early initiatives on transparency initiated in order not to fuel citizens' mistrust and fears over the unknown content of this agreement. This can be done by publishing EU position papers detailing or explaining its position on the topic, draft and final versions of individual chapters as well as the agreement at all steps of preparation and evolution (and at least before closing the negotiations so that parliaments and the public may still assess the outcome). Beyond a more proactive approach towards sharing information with other EU institutions and stakeholders, there is also a need for engaging into a reflection on how to more effectively engage with them and involve them in the process.
- Preserve the precautionary principle in any horizontal and sectoral regulatory cooperation provisions: in many sectors such as food, current EU legislation provides high standards of consumer, environment and labour protection, even in the absence of scientific evidence of harm, since this can take years to be demonstrated. TTIP should not change this framework.
- Remove Investor-State Dispute Settlement (ISDS) provisions from the TTIP and any other future trade negotiations. This arbitration system empowers foreign investors to challenge national authorities and claim financial compensation if they believe their investment potential or profits are hindered by regulatory or policy changes. It discriminates against national investors, who do not have access to ISDS courts and bypasses national courts of two established and fair legal systems. Consumer protection laws as well as health and environmental regulations are at risk of being systematically challenged as violations of 'investor rights', a trend on the increase in recent years.

• What new challenges should be taken into account in the future?

Below we briefly highlight the main challenges; for more details please refer to question and the activities proposed in that section in the respective policy field:

- Digital agenda issues (see our comments above on the Digital Agenda).
- Sustainability as a horizontal principle - new models that facilitate an economic transition built on sustainable economy concepts.
- “Disruptive competition” business models: The sharing economy is the latest example of the internet’s value to consumers. Over the last year, a number of new business models have emerged, whereby competitive companies make use of existing technologies in order to provide innovative services to consumers. Whereas such disruptive competition brings benefits to consumers, it is equally important that such services are provided within a regulatory framework that ensures consumer protection and fair competition.
- Collaborative consumption.
- Ecodesign for all.
- Consumer policy as a social policy (affordability of essential services, better protection across the EU against over-indebtedness).
- An EU enforcement policy to make sure that all European consumers are protected in a uniform manner and that EU wide infringements (unfair business practices which are applied by a company in all or big parts of the EU).

• How could the strategy best be linked to other EU policies?

- Consumer policy is the best vehicle to reach out to European citizens/consumers and it should become a much more prominent part of the EU2020 strategy. In the Treaty on the Functioning of the European Union (TFEU), Article 12, the principle of general application stipulates that “Consumer protection requirements shall be taken into account in defining and implementing other Union policies and activities.”

This integration principle is about to develop more potential *inter alia* because of the now more regular reporting of the European Commission about its fulfilment<sup>5</sup>. However, the consumer agenda could be more clearly linked to the EU2020 strategy and thus more prominently appear on the overall agenda of the new Commission.

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<sup>5</sup> Refer to the European Commission’s report on consumer policy, most recent January 2011 – December 2013.

- What would improve stakeholder involvement in a post-crisis growth strategy for Europe? What could be done to increase awareness, support and better implementation of this strategy in your country?

- A better inclusion of stakeholders in general including public consultation, impact assessments, transparency, support to consumer organisations and civil society in general is needed. In this context, the future policy of the European Commission regarding Impact assessments and the involvement of stakeholders will be essential. Please see BEUC's comments<sup>6</sup> on the recent European Commission consultation on the Impact Assessment Guidelines and to the consultation on the Commission's Stakeholder Consultation Guidelines. The public consultation underlined that these guidelines are for internal use only by Commission services, but that stakeholder inputs are an essential element in ensuring the quality of the final product.
- "Reach out" policies to EU citizens, such as consumer policy, should be prioritised within the EU2020 strategy.
- Better regulation "strategy": for the forthcoming agenda of the new European Commission first vice-president for "Better regulation", we underline that reducing consumer protection or environment protection standards must not be an option under the heading of "better or smart" regulation or the REFIT initiative. Rather than focusing the rhetoric on cutting red tape and costs for SMEs, a broader approach embracing the welfare and quality of life of all EU citizens should be made visible.

### **Tools**

- What type of instruments do you think would be more appropriate to use to achieve smart, sustainable and inclusive growth?

Please see our recommendations in relation to the various policy fields which include proposals for specific regulatory tools.

- What would best be done at EU level to ensure that the strategy delivers results? What would best be done at Member State level?

In general, systematic and regular reporting about the state of play of the EU2020 strategy to the European Parliament but also to concerned stakeholders would be desirable. The holistic nature of the strategy and the pillars of it should not get lost in the various agendas and activities undertaken by various services.

As in general the communication about the achievements of the EU and its advantages for European consumers and citizens is weak but would be important to generate ownership and thus promote results and commitment to achieve them, we welcome that the new European Commission will priorities activities to reach out to citizens and to media to ensure that more efforts are deployed to present the results of the EU and the EU 2020 strategy.

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<sup>6</sup> BEUC's response to the consultation on the Guidelines for impact assessments.

- How can the strategy encourage Member States to put a stronger policy focus on growth?

No comment.

- Are targets useful? Please explain.

Target setting in terms of **resource efficiency** is critical in order to incentivise behaviour change. For example, in the automobile sector it has been clear that the setting of 2020 targets for CO2 emissions reductions has led to car manufacturers improving the energy efficiency of their new vehicles (although, as mentioned earlier, these improvements have not been as great as indicated by monitoring).

Although of course energy efficiency improvements could come about because of other factors, such as the result of higher fuel prices and in turn the increase in consumer demand for energy efficient vehicles. It is essential for targets to be set, so as to better ensure that desired changes in behaviour do materialise. Setting targets in the future also allows for industry groups, such as the automobile sector to plan accordingly and have the foresight to envisage changing investment dynamics.

Target setting in the field of **broadband penetration** has proven to be effective in measuring progress and undertaking focused action. Nevertheless, despite the improvement in the coverage and penetration of rates of high speed networks in Europe, Europe is at risk of failing to meet the 2020 targets. It is important to establish targets with regards to the take up of broadband, as well as to the digital and media literacy of consumers.

- Would you recommend adding or removing certain targets or the targets in general? Please explain.

No comment.

- What are the most fruitful areas for joint EU-Member State action? What would be the added value?

No opinion.

END