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**Exploring consumer rights regimes and information privacy in Europe**

**Abstract:**

This article analyses parts of the results from the *GPD International Privacy Survey* carried out by the Surveillance Project. The area of interest is the position of the consumer in different institutional settings and what theoretical perspectives can be developed for consumer behaviour in terms of information privacy.

The point of departure is that the shaping of consumer preferences and trust in terms of privacy assurance can be traced back to national *consumer rights regimes*. A theoretical model that combines data protection, consumer protection and consumer trust is applied to analyse the GPD survey data of three European countries: France, Spain and Hungary. The assumptions guiding the paper is that if a consumer rights regime offers the consumers efficient sanctioning powers, the consumers will feel empowered and less dependant on the Internet agents for securing their privacy. The subjective feeling of empowerment should not be assumed to be limited to the consumers' experiences on the Internet, especially since most consumers have not used Internet as a shopping tool until today and are thus first-time Internet shoppers. Instead, experiences in other retail sectors will prove more important for the consumers.

The data from the GPD survey, as well as other surveys carried out in Europe supports this theory to a certain degree. In Hungary, where the transition to democracy and the materialistic views of the population seems to explain consumer behaviour more than the consumer rights regime, other factors might also play a major role. All together, however, the theory seems to find support in the GPD data.

*Keywords:* consumer protection, privacy, institutionalism, data protection, Hungary, France, Spain.

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## 1. Introduction

“Most of the research reviewed here has a “market” focus, since it is driven by corporate interests seeking to unravel consumer attitudes to privacy. ... At a more general level, it is appropriate to enquire into the relationship between attitudes to privacy and political culture characteristics.”

Elia Zureik (2004), p. 19

A major question in the field of Surveillance Studies has been the potential for government agencies and corporations to collect information from individuals- as citizens, workers, crime suspects and consumers- and the possibility to utilise these data for their respective purposes. The Globalization of Personal Data project’s international survey is an important step in order to make international comparisons possible, without having to engage in methodological compromises of comparing results from different surveys. This paper analyses some aspects of the survey data, focussing on consumers and their relationship to privacy in a European context. Consumers have to provide sellers with much more information when consuming over the Internet than in conventional stores, which makes the issue of information retention, usage and communication a most important one. Internet agents try to solve the lack of trust from the side of consumers using different strategies, such as branding and applying different certificates. Based on experiences from earlier research projects concerning consumer issues in other areas, I argue that with some consumers their efforts might be in vain because the behaviour of consumers on the Internet is influenced by their experiences of consumer protection and business ethics in quite different circumstances, namely in conventional trade.<sup>1</sup> Or rather: In countries where the institutional setting has promoted a strong position for the consumers on the market, I anticipate a more relaxed relationship towards Internet consumption, because consumers know they are empowered through the regulatory framework.

The GPD Survey has included three European countries, all member states in the European Union (EU): Hungary, France and Spain. These three countries have rather different prerequisites in terms of regulatory tradition, political culture, diffusion of Information and Communication Technology (ICT) and tradition of consumer protection. An importance difference is the geopolitical factor: Hungarians, being a young capitalist economy that has gone through radical restructuring during the last 16 years, faces quite different problems than the French consumers, who grew up in a political culture with strong civic engagement and political activism. Are the geo-political differences between Eastern and Western Europe also

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<sup>1</sup> Although this might seem logical this assumption is often disregarded, especially in EU analyses. See for example: Eurobarometer (2003): “Consumer Protection in the EU”, Special Report No. 193; and Eurobarometer (2006): “Consumer Protection in the Internal Market”, Special Report No. 252. In these reports, the issue of confidence in national consumer protection regimes is mentioned, but the connection to domestic consumer protection and internalisation of norms and expectations of these regimes is not made at all. See also Metzger (2006), Princeton Survey Research Associates (2002), Bellman (2002) and Koehn (2003).

relevant in regard to consumer protection and privacy? In an international comparison of eight EU member states regarding CCTV surveillance that was carried out during project Urbaneye, the researchers observed high acceptance for this type of surveillance in Hungary, which was interpreted as a view of CCTV surveillance as the “silver bullet” that would help Hungary enter the club of West European democracies. I call this the “silver bullet thesis”. One focus of this paper is to analyse whether this attitude is also represented in the area of Internet consumption and thus reflected in the GPD Survey data. Further, many Spanish consumers were raised during the fascist dictatorship that ended 1975. Although this was long ago, such experiences might be important in terms of consumer behaviour and privacy.

### ***a. Hypotheses and research questions***

These questions will be discussed in the paper below, although I will probably not be able to deliver final answers considering the scope of the thematic. I have formulated two basic hypotheses that relate to the questions mentioned in the introduction. These hypotheses will guide the theoretical discussion and the following empirical analysis. It is important to keep in mind that the hypotheses are theoretical statements and therefore expressed with a lot of confidence. The degree determination of the factors that I analyse might not be equally apparent in all cases and it does not imply that other factors are equally important. They merely serve to fix the focus of attention.

Hypothesis 1: Differences in concerns about information privacy can be traced back to the type of consumer rights regime. This would mean that:

- there is a correlation between consumers’ privacy concerns and the national consumer rights regimes
- national consumer rights regimes determine consumer activity on the internet, although the Internet economy is fairly international

The hypotheses are manifested in a research question, which I aim to answer at the end of this paper:

- Do the GPD survey data support the thesis that privacy concerns and Internet consumption behaviour are related to domestic consumer rights regimes?

The paper continues with a theoretical discussion regarding trust, institutional theory, consumer rights regimes and human agency (section 2). Three different, very basic types of consumer rights regimes are described and discussed. In the following section, data protection and consumer rights regimes in Spain, France and Hungary are described respectively. The result of this section forms the first half of the empirical material. The GPD survey data is analysed in section 4, where I apply the earlier discussion on the results of the survey. The results are finally discussed in section 5, where I return to the theses listed below. But first, a small digression.

### ***b. The “Silver bullet thesis”***

In their final report of the project Urbaneye, Hempel and Töpfer (2004) proposed that the fast diffusion of CCTV surveillance in Hungary and its acceptance in the population could depend on the radical changes that the country had experienced with the transformation to democracy and capitalism. With terrible economic performance and rising crime rates, hopes were set on integration into Western Europe and in order to reach that end, privacy infringements in form of increased surveillance was a small price to pay. Indeed, Hempel and Töpfer speak not in terms of “accepting CCTV”, but in terms of welcoming it as a silver bullet that would help transform the country:

“Confronted with public demands to combat crimes and the sudden need to position Budapest in international urban competition CCTV appeared as a promising ‘silver bullet’ of the west against the ‘evils’ of the new era.”<sup>2</sup>

Indeed, in 1992/93, Hungarians were surveyed about their attitudes towards the new economy and their expectations for the future. Together with the Ukraine and Belarus, Hungarians stood out of the 10 formerly communist countries. While being highly pessimistic about the current situation in 1992/93, expectations were extremely high that the economic situation would improve during the coming years.<sup>3</sup> This hope was to a large extent directed towards the EU, which was showed in the Central and Eastern Eurobarometer (CEEB) both in 1996 and 1998, with 26 % and 42 % of the Hungarians seeing their future with the EU, respectively. Although these numbers could definitely be higher, they nonetheless show that a substantial proportion of the Hungarian population set their hopes for a better economic life in the integration into the EU. Thus, there was an (understandable) expectation towards the EU which might have led Hungarians, foremost residents of Budapest, to accept privacy infringements if they were the price that had to be paid. I call this the “silver bullet” thesis.

The thesis results in an additional hypothesis, which concerns differences between Western and Eastern European countries:

Hypothesis 2: Hungarian consumers who use the internet are not as concerned of their privacy and not as active as consumers in Spain and France.

The corresponding research question is:

- Do the GPD data support the “silver bullet” thesis?

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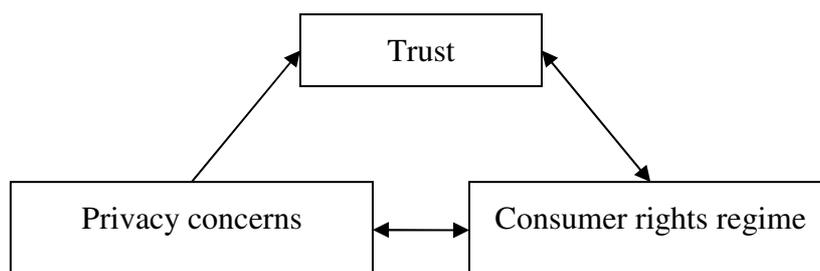
<sup>2</sup> Hempel and Töpfer (2004), p. 32.

<sup>3</sup> The question was if the interviewee found the current situation better or worse than 5 years ago. Only 7 % thought the situation had improved. When questioned about their hopes for the future, 73 % expected a better situation in the coming five years. Source: Ökopol and the NDB-barometer, as described in Rose and Scheifert (1995), p. 281.

## 2. Towards a model for consumer behaviour

This chapter provides an outline of the theoretical model I wish to apply on the GPD survey data in section 4. The model combines trust, privacy concerns and the institutionalised consumer protection, which I call *consumer rights regime*.<sup>4</sup> The model is a basic triangular concept where trust is seen as necessary for consumers in order to be prepared to engage in information. Privacy is prerequisite for trust to exist, but not the sole determining factor. Privacy concerns and trust vary with the type of consumer rights regime, which is defined in section 2.b below. In this sense, the regime type and privacy concerns are the independent variables and trust, being the theoretical determinant of consumer behaviour on the Internet, the dependent variable. Privacy concerns are expressed in the GPD survey data and consumer rights regimes will be described with external data. The analysis is qualitative in essence, but quantitative data will be used in the analysis.<sup>5</sup> The model can be expressed graphically in the following manner, with arrows representing influence:

Figure 1: Basic theoretical model for consumer behaviour



Below, each component of the model is described briefly, with a little more attention given to the consumer rights regime. First out is privacy.

### **a. Privacy**

I do not aim discuss the conceptualisation of privacy in this paper, since there are useful definitions at hand already. Please see the background paper to the GPD Survey for further discussion on this subject.<sup>6</sup> Notwithstanding this and realising the need for a proper definition, I will discuss it *in brief* here.

My main focus lies on information privacy, foremost as manifested in Internet consumption issues. The Internet was considered a suitable platform for exemplifying the relevant

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<sup>4</sup> The term „consumer rights regime“ was selected to avoid misunderstanding in separating „consumer protection“, which is normally used to denote the legislative regulations, with the totality of support for the consumers.

<sup>5</sup> For further discussion on mixing methodological approaches, please see: Newman and Benz (1998).

<sup>6</sup> Available at: <http://www.queensu.ca/sociology/Surveillance/files/Background%20Paper.pdf>

mechanisms here, and it was covered thoroughly by the questions in the GPD Survey. What definition of privacy suits such a task? There is a multitude of definitions of the concept, even one I introduced myself in Svenonius (2004), which is merely a slight modification of existing definitions in order to suit an analysis of CCTV surveillance.<sup>7</sup> However, the most suitable for this analysis is Alan Westin's famous definition:

*“The claim of individuals, groups, or institutions to determine for themselves when, how, and to what extent information about them is communicated to others”*<sup>8</sup>

Sundström (2001) introduces a clarification on the subject of information privacy, which is good to make clear what is meant the “when, where and how” of information flows, while trying to separate normative components of privacy from “factual” ones. The “factual” component is the actual flow of information *in, out, within* and *without/about*. This clarification opens up for data processing as well as the actual transfer between actors.<sup>9</sup>

### ***b. Trust and power***

The Internet requires consumers to be very aware of what type of disclosure they are willing to accept and who receives the information, something which is close to impossible to trace for ordinary people. Internet consumption is not only a question of ability to apply Information and Communication Technologies (ICT), but also of the willingness (and indeed the necessity) to provide Internet agents with personal information. In addition, the awareness of what information is collected and how it is used is often low, as we shall see below. Thus, consumers have to rely on other factors when purchasing over the Internet.

Consumer trust in online agents can be divided by who is trusted (brand/vendor or the Internet site) on the one hand (see Metzger 2006), and different types of trust on the other (see Koehn 2003). Since the data generated by the GPD survey is located on the macro level, an analysis that separates site and vendor is not possible. Koehn (2003) differentiates between four types of trust: *Respect-based trust* is what one would normally find between lovers or close friends. *Knowledge-based trust* is the type of trust that can be promoted by certificates and privacy policies, and *calculative trust* is based on contracts. *Goal-based trust* is loose and purely instrumental. Koehn argues that Internet agents should work towards the establishment of respect-based trust, since that is the most durable and intimate form. That could be achieved through transparency, openness and mutual respect.<sup>10</sup> However, as Metzger has shown, knowledge strategies and transparency might have little to do with consumers' purchasing behaviour.<sup>11</sup> Instead, I argue that such strategies may be nice, but if society cannot provide a

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<sup>7</sup> Svenonius (2004), p. 34ff. The definition included awareness, autonomy (consisting of individuality and opt-out) and anonymity.

<sup>8</sup> As quoted by Sundström (2001), p. 91f.

<sup>9</sup> Sundström (2001), p. 95ff.

<sup>10</sup> Koehn (2003), p. 5ff.

<sup>11</sup> Metzger (2006), p. 167ff.

sound basis for the more intimate types of trust through a sufficiently effective consumer protection, such as reliable *voice* and *exit* options (drawing on Hirschmann), these strategies will be much less effective. Rezabakhsh et al. (2006) underlines the importance of the consumers' sanctioning power in relation to Internet agents. If sanctions are not delivered, or proven ineffective, consumers will be far more careful with their money in the future.<sup>12</sup> A quick look at existing investigations shows that different types of fraud or misconduct are very common on the Internet, which makes the power to sanction misbehaviour imperative.<sup>13</sup> The position and thus competence that is ascribed to the consumer is determined by what I call the consumer rights regime. Below follows a discussion on different types of arrangements for consumer protection in Europe.

### ***c. Institutionalism and Consumer Rights Regimes***

To begin a discussion about consumer protection regimes, it is essential to establish an understanding about the term institution. The academic discourse about institutions is often vague, and the term is sometimes used without further explanation.

An institution as the term is used here stands for a system of more or less formal rules and practices that produce a framework of expected outcomes. Institutions consist of a set of *formalised rules*, *informal norms* and *common practices*.<sup>14</sup> The entities that make out a system of consumer protection can be divided into legislation, consumer organisations and consumer protection agencies, mediation boards and the private sector branch organisations. These parts aggregate into a policy regime, here called consumer rights regime, which is an institution in itself. As described above, an institution consists of a set of formal rules (set by legislation), practices (defined as outcome of consumer organisations and mediations boards) and norms (set among others by general cultural and historical factors).

The theory in this context is that the design of a consumer rights regime provides the framework for consumers' privacy concerns and thus plays a major role for consumer behaviour in the Internet economy. The question is an ontological one: while natural entities of analysis typically are the Internet agents or international policy regimes,<sup>15</sup> I suggest that in order to understand the basic mechanisms for consumer behaviour and thus the shaping of trust relationships over the new ICT platforms, it is essential to go back to the experiences of the consumers in the respective countries. Since in most European countries, and definitely in the three countries analysed here, the share of people who consume over the Internet was fairly small until recently, the problems that people have encountered until now were largely experiences in conventional commercial environments.<sup>16</sup> Depending on the organisation and

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<sup>12</sup> Rezabakhsh et al. (2006), p. 10f.

<sup>13</sup> See for example the EEC Internet purchase trial: EEC (2003), *passim*.

<sup>14</sup> For a general discussion about the conceptualisation of institutions, please see: March and Olsen (1989) and Peters (1996).

<sup>15</sup> Typically focussing on privacy statements, certificates of various kinds, trust and its generation, and EU legislation/OECD recommendations.

<sup>16</sup> For internet usage statistics, see: XXX.

effectiveness of arbitration and mediation practices in each country, different experiences are made and shaped into the normative dimension of the consumer rights regime in a kind of consumer socialisation process.<sup>17</sup> Such experiences do not necessarily have to take place recently or in the same branch, even if that would surely increase the effect.

Please consider the following two scenarios:

A: A passenger on an interregional train route in country X is delayed for a concert because of a fault on behalf of the transport operator, which renders his or her trip almost useless. As the passenger files a complaint with a demand for reimbursement for the ticket price, he or she is rejected by the staff. The errand is taken to a national consumer organisation responsible for mediation, but even with its help, the claim is rejected again. The passenger is told that there is nothing that can be done, since the operator is neither responsible for consequential loss, nor were any reimbursement part of the terms of contract.

B: A passenger in country Y experiences the same dilemma, and complains to the staff. He or she is told that the operator has issued a service guarantee, granting the passengers certain formalised rights for reimbursement in case of extended delays. The scheme has been negotiated with the national Consumer Protection Agency and has been integrated in the terms of contract.<sup>18</sup> The ticket price is refunded in cash.

Assume that the passenger from scenario A finds him- or herself in a situation where new conditions apply, for example a new modality for consumption. His or her experiences with traditional consumption will most likely affect the decisions what risks shall be taken in the new situation. The passenger in scenario B will also act according to his or her prior experiences. With a confidence that tells him or her that one has a right to fair treatment and that companies are bound to accept this, the activity in the new consumption platform will most likely not be beset with the same barriers as for the consumer in scenario A, who will be less secure in his or her position as a consumer. This describes the importance of sanction power on behalf of the consumers, as discussed above. The mechanism is similar to smoking prohibition, where it has been observed that in countries where smoking has been banned in certain areas, the less accepted it has become also in other areas where smoking has still been formally allowed. Thus the more/less people experience a certain type of treatment, the more/less they tend to accept that behaviour as given.<sup>19</sup>

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<sup>17</sup> The result would be comparable with March and Olsens' (1989) "logic of appropriateness".

<sup>18</sup> These scenarios are deduced from a research project on passenger rights in the EU that was carried out during 2006 at the Berlin Technical University. During this project, the interactivity of different means of consumption was apparent: Passengers in countries with a high degree of consumer empowerment demanded reimbursement in a much higher degree than in countries with a low degree of empowerment, even though they were not aware of the applicable regulations.

<sup>19</sup> Compare with Nyborg, Karine (2003), p. 261ff.

#### ***d. Types of Consumer Rights Regimes***

The first question one should ask when comparing institutional settings is where differences are expected. In this case, three groups of differences are available, following the definition of the term *institution*. Because the EU provides a basic regulatory structure with minimal regulations for all member countries, many of the formal regulations regarding distance contracts and Internet trade are close to harmonised on international level, especially regarding contractual legislation and Internet trade. Although national variations exist, the core remains similar across the entire EU and considerable work is being done on cross-border cooperation and arbitration. This is true for both consumer protection legislation as well as data protection. Thus, the consumer rights regimes in each country have similar basic sets of formal rules. Mediation and arbitration systems are the main contact points with the consumer rights regime, since this is where one would turn if one experienced problems with an Internet agent. Further, informal norms are very different between the EU member states, which depend on earlier experiences with the consumer rights regime and on cultural and historical factors. Thus, the main difference lies in the *application* of the rules and *the informal norms* that guide behaviour. This is the perspective from which the analysis will be carried out in section 4.

However, before any analysis can be carried out, the theoretical tools must be defined. In this case, a basic typology will provide the necessary help. I distinguish between three basic types of consumer rights regimes in Europe. This very simplified typology is only a theoretical construct, and no intention exists to make definite statements about the reality. This paper does not offer enough space for that task, and it is not the main focus here. Therefore, I am satisfied with this rough distinction, briefly described below.<sup>20</sup>

#### **The Nordic model**

In this type of system, the state has a large influence. A state agency provides the extra-judicial arbitration function. Municipalities have consumer advisors who guide and inform the consumers about their rights and options, and forward consumer complaints to the arbitration board.

Only a few large consumer organisations exist, who are almost exclusively tax financed. The consumers know that the state is massively involved in most aspects of the regime and put much of their trust in the state as a guarantor for sufficient levels of consumer protection. The commercial sector is not really involved in the consumer protection practices like arbitration and mediation. Examples are Sweden, Denmark, Finland, and Norway.

Example: Sweden

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<sup>20</sup> This typology is based on discussions with Fredrik Nordquist at the Swedish Konsument Europa and Norbert Reich at the University of Bremen in Germany.

A core characteristic of the Swedish system is the National Board for Consumer Complaints, the public mediation board organised directly under the government. The board is a state agency organised directly under the government and it accepts all types of cases (horizontal application of rules). Its decisions directed towards all companies but are not binding. Companies that have not accepted the board decisions are published on a “black list” in the official Swedish consumer magazine “Råd & Rön”, which gives the verdicts a high degree of leverage. These two measures have been very important for the Swedish system.

### **The Continental European model**

Here, the state is not as involved in the consumer protection regime as in the Nordic model. Rather, it splits the responsibility with the private sector. Arbitration is more likely handled by branch organisations or chambers of commerce who judge only for their own members or in their respective area (i.e. not horizontally). State initiatives exist, but are not as prominent as in the Nordic model.

This model of consumer protection regime requires the consumer to be more active and to organise themselves in a larger extent than the Nordic model. As a result, the organisational landscape is pluralistic, with many organisations on both the consumer and the producer side. Organisations must often seek alternative means of funding, since the state cannot provide full support. Examples are Germany and France.

### **The Anglo-Saxon model**

This model works with small claims courts, where the judicial practices have been simplified, the responsibilities are clear and access high. The state is typically not involved in the consumer protection in the same degree as in the Nordic model. Examples are: the UK, Ireland and Malta.<sup>21</sup>

### **Summary**

In sum, the continental European and Anglo-Saxon systems tend to involve the private sector and particularly the companies in the consumer protection. There also seems to be an increased demand for trust in business-to-consumer trade, especially over the Internet. In France, Germany and the Anglo-Saxon countries, the certification processes has come a long way and it is seen as an important trait. In contrast thereto, there has been an initiative by the Nordic Council of Ministers to introduce a Nordic trust certificate, but the industry was not interested in such a measure at all, and the project was cancelled. This is an instant where the relationship between the consumer rights regime, the consumers’ confidence in their own safety and the activity of the private sector turns rather apparent.

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<sup>21</sup> I will not discuss this type of regime any further, since it is not really relevant for this paper.

This concludes the theoretical section of the paper. Below follows a presentation of the three countries included in the analysis. Section 3 is the first empirical part

### 3. Country presentations

In this section, I provide a brief description of the three countries included in the GPD survey. Each country section is disposed in three parts- a general introduction, a description of the regulation of data protection and finally a description of the consumer rights regime in the respective country. In each section, issues are discussed that are specific for the particular country. However, it is impossible to include all the facets one would like, and I desist from discussions about earlier occurrences of privacy infringements in the different countries. This issue will be discussed in section 5, but for now, I can only clarify the scope of this paper, which is to analyse the relationship between privacy concerns and consumer rights regimes, not data protection regimes, although that would also be an interesting subject.

#### *a. Spain*

Spain is a country with ca. 44 Million citizens and an internet penetration rate of ca 39 %.<sup>22</sup> Spanish consumers have a special relationship to privacy, the state and to activism, which can be traced back to the fascist dictatorship that ended in 1975. The organisation Consumers International describes the cultural atmosphere as a “detachment from ‘everything that is public’”.<sup>23</sup> The tendency was strong enough to result in open hostility towards public engagement, which results in a very tense relationship to privacy as well. In addition, the Spanish domestic market has been plagued by monopolistic structures, which has not increased the satisfaction of the consumers. This very tense relationship tends to ease up with younger generations, but is still present and will certainly be important in the analysis of the GPD Survey data.

#### **Data Protection Legislation**

Spain has implemented the directive 95/46/EC regarding personal data into the Law on the protection of personal data (15/1999). It bears all the trademarks of the directive, as well as an interesting differentiation between publicly and privately owned databases (Art. 25-32). The former has received more generous terms for the creation and maintenance of databases than the latter. Both public and private institutions must notify the Data Protection Officer but private organisations have to submit a notification prior to the creation of the database, and have to apply the “opt-in” rule rather strictly, especially in marketing circumstances.<sup>24</sup>

The differentiation between public and private databases shows that private companies do not enjoy quite as much institutional support as public authorities. This is in line with Hofstede's (1980) analysis of attitudes of the Spanish population, stating that trust in public authorities was relatively high and favourable of strict, clear regulations of privacy. An interesting question is thus if this tendency is still valid, which would imply that Spanish consumers are

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<sup>22</sup> Internet World Stats. Measures from 2006 by Nielsen/NetRatings and World Gazetteer.

<http://www.internetworldstats.com/eu/es.htm>

<sup>23</sup> Consumers International (1999), p. 23.

<sup>24</sup> Vilasau, Mónica (2004), p. 6.

more wary of privacy infringements from the private sector than from public authorities. However, as we shall see below, the trust in public bodies and indeed in the whole consumer rights regime, is not high.

## Consumer Rights Regime

Spain stands out of the Continental European model because of its system of local courts of that have very effective judgement over participating companies. A large number of companies have volunteered to participate in the programme, which was initiated in the early 1980's (the number of participating companies was 72.362 in 2002). The problem is that participation is voluntary and that companies that are not in the system are not affected by its verdicts. The participating companies are the ones who are consumer-friendly to begin with, and thus problems are not usual, according to the European Consumer Centre in Madrid. The Spanish system functions a bit like a "white list" in contrast to the Swedish "black list". In addition, Spanish municipalities employ consumer advisors who have the power to perform inspections and engage in legal actions, which also is not typical in this model.<sup>25</sup>

The rather extensive system for arbitration and mediation is, however, not reflected in a corresponding experienced ease to solve conflicts with traders. In a recent survey by the Eurobarometer, Spanish consumers shared the bottom position with the Slovaks, with only 17 % stating that conflict resolution through arbitration, mediation or conciliation body was easy.<sup>26</sup> The Spanish consumers are among the most sceptical in the entire EU when it comes to reliance in the consumer rights regime. Consumer protection in general, consumer organisations, arbitration and mediation boards and companies all get very low satisfaction scores (around 46 %) and are beaten only by Lithuania, Slovakia and in some cases Portugal in the race to the bottom. Spanish consumers are also some of the least likely to purchase goods from a seller in another EU country, which they seem to have in common with other South European countries (Portugal, Italy and Greece).<sup>27</sup> In 1999, Consumers International reported that 64 % of the Spanish consumers have had a reason to present a consumer complaint but did not do so because of lack of trust in the system. The European Consumer Centre in Spain reported only 6 complaints in 2003 and 9 in 2004, which has been interpreted as a sign both of low levels of e-commerce<sup>28</sup> and general dissatisfaction with the system. Consumers International describes the position of the consumer in the Spanish regime:

“Although Spanish consumers are widely represented within the government system, in practice the *voice* of the consumers is often not heard, due to the small weight their votes carry within the institutional framework.”<sup>29</sup>

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<sup>25</sup> Interview with Regina Fernandez at the ECC Madrid on the 8th of November 2006. See also: Consumers International (1999), pp. 23-30, 38f; OECD (2002), p.2.

<sup>26</sup> Eurobarometer (2006), p. 98.

<sup>27</sup> Eurobarometer (2006), pp. 5, 94-101.

<sup>28</sup> 9 % usage level in 2003. Eurobarometer (2004), p. 3.

<sup>29</sup> Consumers International (1999), p. 24. Italics in original text.

Considering this alleged hypocrisy of the consumer rights regime, it is not surprising that the Spanish population is dissatisfied with the different institutions that characterise the system. If this will have repercussions in their relationship to privacy as expressed in the survey data, however, remains to be seen.

### ***b. France***

France has about 61 Million citizens and an internet penetration rate of 43 %.<sup>30</sup> France is traditionally a central state, with the main political powers tied to the government in Paris. However, this has changed during the 1980's, and "de-concentration" reforms to decentralise power have been carried out, to the advantage of local and regional governments.

Another important trait of the French political life is the existence of "rhetoric legislation". In various areas laws have been passed that serve rather as a solution to a political discourse and to make peace between interest groups than to express an actual political will. In this sense, the French parliament has passed a ban on smoking in all public buildings over a decade ago, which was never implemented. In 2002, the process started very slowly. The system of "rhetoric legislation" does not mean that nothing is done, but rather that certain law are implemented very very slowly.<sup>31</sup>

### **Data Protection Legislation**

The French Data Protection Act includes the basic principles of the directive (transparency, proportionality and legitimate purpose) but does not contain any specific principles relevant in this context. The interesting issue with it is not as much the legislation text itself, but the fact that the EU directive 95/46/EC was not introduced into French legislation until 2004, that is, almost ten years after the directive was issued. There was much discussion about the member states that had not implemented the directive, which ended up with the threat of judicial sanctions from the EU.<sup>32</sup> This critique was among other issued in a report by the European Commission on the implementation of the directive, which agreed with the Commission's view that the non-implementation was a serious obstacle for the internal market and the citizens' information safety.<sup>33</sup>

The late implementation of the directive means that French citizens were experiencing a lower level of data protection much longer than most other EU citizens. It is not possible to make a comparison between the data protection with the 1978 Act and the current one, and any conclusions about the different regimes would have to be made a priori and thus highly

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<sup>30</sup> Internet World Stats. Measures from 2006 by Nielsen/NetRatings and World Gazetteer.

<http://www.internetworldstats.com/eu/fr.htm>

<sup>31</sup> Vergne, Antoine (2005), p. 115f.

<sup>32</sup> Privacy and Data Protection, "European Commission publishes report on Euro-wide data protection compliance", May 20<sup>th</sup> 2003. Accessed in November 2006. <http://www.privacydataprotection.co.uk/news>

<sup>33</sup> Cappato, Marco (2004), p. 8.

problematic. Notwithstanding this, I would like to open up for the possibility that this might have had an impact on French consumers' privacy concerns then and now as well as on their online behaviour.

## Consumer Rights Regime

The French consumer rights regime is closer to the Continental European model than Spain is, with domestic particularities of course. Much reliance is put on the numerous consumer organisations, which are one of the central pillars in the system. Responsibility for the consumer protection is shared between the consumer protection agency „direction générale de la consommation, de la concurrence et de la répression des fraudes“ (DGCCRF) and the „mouvement consommériste“. The latter consists of 18 organisations that are officially recognised by the DGCCRF. Apart from these organisations, who receive state funding, a rich number of other purely autonomous organisations exist. The organisations, as opposed to the state, enjoy a high degree of support from the public. In a Eurobarometer survey from this year, the French consumer organisations were only beaten by the Dutch in public confidence (81 %), whereas the state agencies receive an EU-average verdict of ca. 55 %.<sup>34</sup>

The relatively high reliance on the civil society combined with a much lower trust in the state might be one of the reasons behind another important trait of the French consumer protection regime, the certification process. Very extensive work is being done with voluntary certifications of various kinds for various branches, foremost on different kinds of services. The certificates are issued by impartial organisations, usually in cooperation with a consumer organisation. In the transport sector, for example, certificates are regarded to be essential and are almost always a requirement of public service contracts.<sup>35</sup>

Consumers in France do not have access to arbitration institutions in the same way as Spanish consumers do, although this area is currently changing. The DGCCRF has initiated a small claims service, which is a rather new initiative that is supposed to grant the consumers fast, efficient and free arbitration. The regular arbitration bodies are the responsibility of the regional administrations, which are free but not obliged to set up arbitration boards.<sup>36</sup> Arbitration in France is potentially costly and difficult to access because the special arbitration courts charge fees and considerable paperwork is connected to the procedure. Consumers have to make a case according to the Nouveau Code de procédure civile, which can be rather complicated.<sup>37</sup> The contact of French consumers to the arbitration boards is not very well developed. In terms of awareness of the arbitration bodies, both French and Spanish consumers are located in the middle field in the EU15 (the 15 members before 2004) with

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<sup>34</sup> Eurobarometer (2006), p. 93, 95.

<sup>35</sup> This information was taken from an unpublished report of a recent research project that I participated in.

<sup>36</sup> European Commission, Coconsumer Affairs. Page title: “Out-of-Court Bodies in the Member States (Database)“. Available at: [http://ec.europa.eu/consumers/redress/out\\_of\\_court/commu/database.htm](http://ec.europa.eu/consumers/redress/out_of_court/commu/database.htm)

<sup>37</sup> Sculze and Schulte-Nölke (2003), Background report: France, p. 20.

levels around 60 %. The confidence in both domestic and cross-border arbitration boards, however, is very low, reaching only 6 % in a survey from 2003.<sup>38</sup>

### **c. Hungary**

Hungary has ca. 10 Million citizens and an Internet penetration rate of 30 %. The Internet usage has increased tremendously during the last few years (7 % in 2000), but is still below the EU average.<sup>39</sup> Hungary has experienced a rather extreme shift in all aspects of political, social and economic life since the turnover in 1989. Smith (2003) writes in his essay on the transformation of Hungarian culture and *házi* (home made) food that in the socialist days, the economic systems was based on scarcity- there was enough money to buy, but food products (which he uses as example) were simply not to have. Nowadays, stores are filled with precious commodities, promising a higher life standard, but there simply is not any money to buy them with. Hungary is described as a consumers' paradise, but a tax nightmare.<sup>40</sup>

Now, as it has been discussed above in section 2, the main hypothesis of this paper is that the relationship between privacy and ICT-based consumption behaviour is dependant on experiences made with consumer protection prior to the time of purchase. Indeed, these experiences need not have been made with similar products, but an inter-sectoral influence is quite plausible. This effect might decline as ICT-based consumption is normalised, but in the current situation, the only experiences that most consumers have made with for example arbitration has been in conventional trade. The main question in the case of Hungary is if the tendency with regard to CCTV surveillance can be transferred to Internet consumption. That would imply that the Hungarian consumers would be more prone to accept privacy infringements and that they would think of the Internet as a "silver bullet" as well. However this time not in order to fight crime, but to strengthen quite concrete values, including the access to information, lower prices and a diversified range of products. This might be to simplify the reality too much, though. In section 4, the "silver bullet" thesis will be tested as far as the GPD survey data goes, and then subsequently discussed in section 5.

## **Data Protection Legislation**

Hungary has been on the front in terms of data protection since 1992, with the introduction of the Act of the Protection of Personal Data and Disclosure of Data of Public Interest and the integration of privacy issues in the constitution. It was introduced long before most EU member states had implemented the 95/46/EC directive, and the *Working Party on the protection of individuals with regard to the processing of personal data* of the European Parliament considered it to provide a high level of data protection. In addition, the Hungarian

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<sup>38</sup> Eurobarometer (2004), p. 14, 50.

<sup>39</sup> Internet World Stats. Measures from 2006 by Computer Industry Almanac and World Gazetteer.  
<http://www.internetworldstats.com/eu/hu.htm>

<sup>40</sup> Smith (2003), passim.

legislation contains a number of special regulations regarding single areas of data processing. Especially interesting is the fact that the Hungarian legislator outlawed personal identification numbers during the 1990's, which allows for extensive data mining without much effort. This is not prescribed in the EU directive, and must be considered very progressive. The Data Protection Commissioner of Hungary is known to be very active, and has issued a number of high-profile verdicts as well as over 500 complaints/investigations and consultations respectively. A recent development is a dramatic rise in the number of complaints regarding private companies, as opposed to the high number of complaints that have traditionally been received about public authorities' processing of personal data. In 2000, the relation in terms on quantity had been reversed.<sup>41</sup>

## Consumer Rights Regime

The consumer rights regime in Hungary is rather typical for the Continental European model, described briefly in section 2, with a moderate but rising number of consumer organisations, medium level state participation and arbitration arranged in cooperation with the civil society. The current legislation was introduced in 1998, which was a large step for the Hungarian consumer protection. Parallel to Consumer Protection Act, regulations are spread out in several other acts, which make the totality of the consumer protections formal rules rather difficult to grasp.<sup>42</sup> The General Inspectorate for Consumer Protection is organised under the Ministry for Economic Affairs and is responsible for the execution and enforcement of the legislation. Also, the Office for Economic Competition has had an important function in the Hungarian consumer protection.<sup>43</sup> The inspectorate has rather far reaching competences, especially when it comes to sanctioning companies that do not act according to the law. It can issue economic sanctions of an unlimited amount, which provides a certain degree of leverage towards the industry. The largest consumer organisation is the Országos Fogyasztóvédelmi Egyesület (National Association of Consumer Protection, OFE), which was created in the beginning of the 1990's. Four consumer organisations are officially recognised, but another 14 receive state funding as well.<sup>44</sup> Consumer arbitration is carried out by branch organisations or regional chambers of commerce in a system that was introduced in 1999. The system is perfect on paper, but problematic in practice. Firstly, a paragraph in the legislation that regulates their activity states that "the costs of the proceedings shall be borne by the party against whom a resolution was reached"<sup>45</sup>, which discourages most consumers from handing in their complaints.<sup>46</sup> Secondly, the boards' funding is only partially provided for by the state. The rest is supposed to flow in via membership fees and contributions, which is considered to

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<sup>41</sup> Working party... (1999), "Opinion 6/99. Concerning: The level of personal data protection in Hungary"; Privacy International & EPIC Privacy and Human Rights 2003 World Privacy Survey: Hungary.

<sup>42</sup> Cseres, (2004), *passim*.

<sup>43</sup> *Ibid.*, p. 51f.

<sup>44</sup> Answer from the Ministry of Economic Affairs (2005) to the European Commission regarding "Institutional relations between public authorities and consumer organisations at national level"; Consumers International (2000), p. 45ff.

<sup>45</sup> Act CLV of 1997 on Consumer Protection, Section 33, § 2.

<sup>46</sup> Consumers International (2000), p. 49.

impair the objectivity of the boards. Thirdly, the boards' consist of both consumer and company representatives, who are supposed to cooperate in the arbitration. However, in most of the cases, cooperation is non-existent. Fifth, the chambers of commerce do not have consumer protection as a traditional area of expertise, and thus the system suffers from their lack of experience and knowledge.<sup>47</sup>

Some problems exist in other areas of both of the organisations and the conceptualisation of the consumer rights regime, such as lack of cooperation between the state agencies and the NGOs, funding issues, consumer participation etc. Many of these issues can be traced back to the understandable lack of experience when dealing with consumer issues, which was almost non-existent under the socialist period.<sup>48</sup>

#### **d. Summary**

The country presentations shed some light to in regard to the research questions asked in section 1 of this paper. The Spanish consumer rights regime can be characterised as a intermediary between the Continental European model and the Nordic model, with a relatively extensive system of consumer protection organised by the state and effective arbitration structures on the one hand, but with many companies standing outside these structures with few possibilities for mediation and arbitration on the other. The low satisfaction of the Spanish consumers with the regime, however, shows its backside and the fact that many Spanish consumers do not bother to file complaints although they have the formal possibility to do so indicate that the consumer protection structures might not be very effective. In terms of the theoretical model sketched above: The Spanish consumers do have the formal prerequisites to act on an international market with confidence, e.g. to build trust, but it seems that the collective experiences both I terms of privacy breaches, but foremost in terms of a weak consumer rights regime (in practice) reduces their propensity to accept the risk of Internet consumption

The French consumers are more active and are socialised to make their voices heard, which explains the multitude of both large and small organisations. French consumers want to stand up for their rights but do not seem to rely on the state to do so. The main problem in France seems to be the lack of coordination, both between the state and the civil society as well as between single organisations. The commercial sector has been sceptical towards consumer protection, because it is seen as problematic, and would rather engage in voluntary certification than in cooperation with the French consumer organisations. French consumers either know their rights very well or at least *think that they do*, which might be enough to construct "virtual trust". The consumer rights regime is clearly a major factor for their

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<sup>47</sup> Cseres (2004), p. 52f.

<sup>48</sup> The latter statement is a truth with modification. Katalin Cseres describes how consumer and competition issues became more and more important in Hungary from 1968 and onwards, but this was not the same type of consumer protection as current policies aim towards. Ibid., p. 55ff.

behaviour on the Internet market. However, it remains to be seen in which extent the GPD survey data supports that statement.

In Hungary, the regime also seems to suffer from a certain lack of coordination, as well as a lack of experience on behalf of the industry to work with issues of consumer protection. The many organisations do not have many possibilities to really change the situation for the consumer as long as they cannot work efficiently with the authorities and the commercial sector. The relatively low wage level and the relatively smaller share of internet users will be important factors in the following analysis.

The expectation up to this point is that the consumer rights regime does have explanatory value for consumer behaviour in the Internet economy, but that many other factors do too. The informal norms in each country that are the product of both the respective consumer protection regime, but also of political culture and historical heritage seem to be the most important factor until this point. In the case of Hungary, the political development and its result together with a very strong discourse on privacy might be better explanations for Hungarian consumers' behaviour and attitudes. Now I turn to the GPD survey data to see if it validates or contradicts my assumptions.

## 4. Privacy survey data analysis

The goal of the analysis is to interpret the GPD survey data from the consumer rights regime perspective as discussed in section 2. It is structured in three parts. The first is rather short and brings up issues of general character, such as demographics. The second part tries to characterise the respective consumer rights regimes as represented in the GPD survey data. I try to determine what experiences the interviewees have with regard to privacy and company behaviour. The third part turns the attention to the resulting behaviour on behalf of the consumers. Did they express serious privacy concerns? What actions do they take to secure their privacy? The results of the analysis here are further discussed in section 5.

### *a. Demographics and issues of general interest*

The first issue to call my attention in the data set was the differences in age structures between the three countries. 44 % of the respondents<sup>49</sup> in Hungary were 50 years or older. In France, the respondents showed a similar structure, with 33 % of the respondents 54 years or more. In the French group of 45-54, 18 % of the respondents are found, which means that the percentage of persons over 50 in France would be a few percent higher, probably reaching a value of ca. 40 %. In contrast, the Spanish respondents were all in all much younger than the French and Hungarian, with 47 % ageing between 25 and 44 years. Only 8 % of the Spanish respondents were 65 years or older (in contrast to the French, with 19 %).<sup>50</sup>

These relationships might be relevant in the context of knowledge about ICT and concerns about privacy. In addition, the majority of the Spanish respondents have not experienced the fascist dictatorship as adults, which may well affect their evaluations of privacy and thus their activity on the Internet.

The data show relatively high computer usage rates. Ca. 70 % in France and Spain and 50 % in Hungary claim to have used a computer during the last 6 months at home. Hungarians and Spaniards access computers in public places in a higher degree than the French- only 15,4 % use public computers against 17,8 % in Hungary and 21,9 % in Spain. On the question if one had used the internet during the same period (at home), the answers were almost exactly 10 % less than the computer usage rate in each country, which is interesting, because these figures show much higher internet usage rates than the statistics referred to above (about 20 % higher for France and Spain and 10 % higher for Hungary).

French consumers are most active in Internet purchasing- 45,4 % had purchased a product or service over the Internet during the year prior to the survey. The Spanish consumers had not been as active, only 30,8 % with internet purchases. Hungarians are the least active consumers

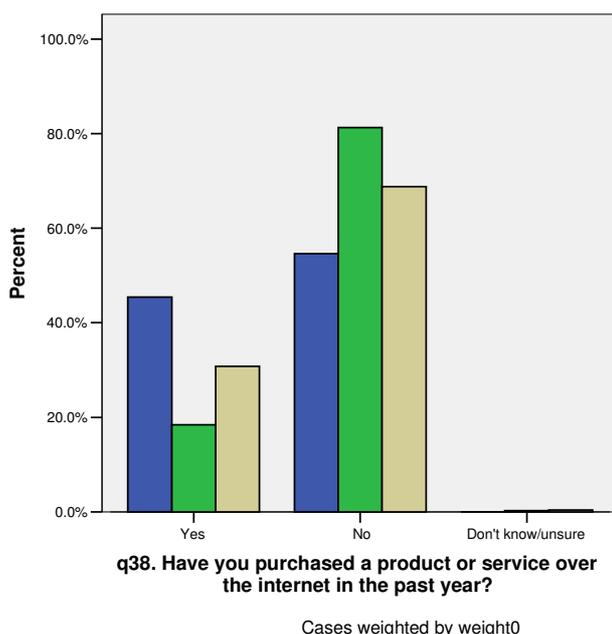
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<sup>49</sup> Hereafter, I refer to the answering individuals of the survey as „respondents“ and the participants in the focus group sessions as „interviewees“.

<sup>50</sup> Q40, GPD survey.

on the Internet with 18,4 % of the interviewees who had bought something on the Internet during the same period. Weighted against the internet usage percentage, the share of consumers who use the Internet for shopping is 76 % in France, 51 % in Spain and 46 % in Hungary. This shows that even though Hungary has a much lower usage rate, the share of consumers who use the Internet for consumption is not much lower than the Spanish one.

Graph 1: Question 38, positive answers. Source: GDP Survey



These figures are important to bear in mind, since they are significant for the following analysis. I will return to this figure below, in section 5. However, already, one can make assumptions about the theoretical hypotheses in light of the country presentations. The French consumers are the most confident, and are correspondingly the most active on the Internet market. Despite the relationship between Spanish disbelief in the consumer rights regime, the Spanish consumers lie on an average level. Interesting is that the Spanish respondents have a large share of young people, who ought to have a higher propensity to consume over the internet than the older populations in France and Hungary. The Hungarians show the lowest level of activity, which was expected due to the lesser diffusion of ICT in the country, and due to the relatively old population. However, the activity of the internet users is not very different from Spain.

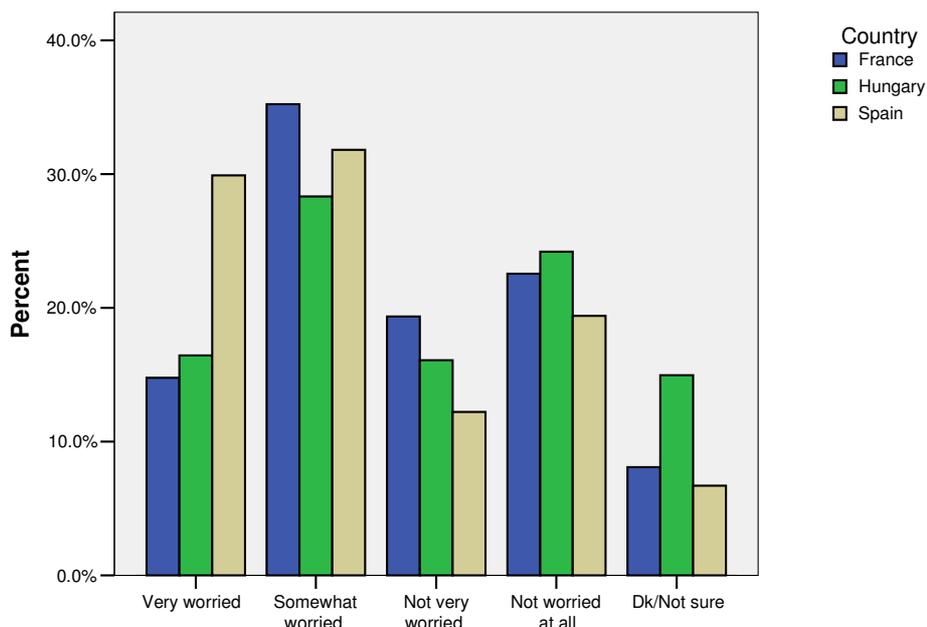
### ***b. Consumer rights regimes in the GPD survey data***

The GPD survey data is assumed to reflect the consumer rights regimes in the informal norms that were discussed in section 3. Informal norms shape the behaviour of the commercial sector to the extent that they frame what March and Stoker (1989) call the *logic of appropriateness*,

which means that they give signals about what behaviour is acceptable and what is not. In this part of the analysis, questions in the GPD survey that address consumers' experiences with privacy infringements, which will provide guidance to make statements about the practice of the consumer rights regimes. Here, the vignettes in the GPD survey will provide a useful source of information about consumers' expectations from companies in general.

Graph 2: Question 11. Source: GDP Survey

In the three countries, the Spanish consumers are most worried about yielding basic personal



**q11. When it comes to privacy, how worried are you about providing personal information on websites, such as your name, address,**

Cases weighted by weight0

data on websites. It is the proportion of Internet-active consumers that have the largest concerns against handing over personal data to a website. The answers to question 2 and 11 display an argument that was mentioned in the beginning of this paper about strong consumer rights regimes that would produce self-confident consumers, who are at the same time wary of their privacy. Keeping the answers from question 2 in mind, please consider question 11:

Regarding how much control consumers have of their personal information as displayed to private companies, almost 40 % of the Hungarian respondents claim to have some degree of control. 30 % claim that they cannot control what the companies do with their information and 26,5 % claim that they have a high degree of control. In regard to this question, the Hungarian consumers answer in a surprisingly well-informed manner. Their French counterparts are overly positive regarding their degree of control, especially when taking their degree of knowledge in consideration. Over 60 % of the French consumers claim to have a lot or full control over their personal data. The Spanish consumers are more positive to their ability to control the flow of information. 50 % claim to have some say about their

information, with moderately 14,8 % of the respondents claiming the difference. One interpretation is that French consumers might be unwilling to yield personal information in general and thus feel that they have a high degree of control of information *in* and *out*. That the Hungarian consumers make soberer statements seem probable, since they claim to have observed a much higher media activity around themes of privacy, and have experienced privacy infringements in a higher degree.<sup>51</sup>

The vast majority of the **French** consumers claim to be very or somewhat knowledgeable about “the Internet”, but only ca. 27 % claim to know something about techniques to extract the data that can be gathered through their Internet activity (data mining). At the same time, over 75 % claim not to know very much about the applicable laws in France. This matches the picture of the French consumer well: High confidence and high awareness about privacy as a normative value but low awareness about regulation. It also corresponds to the findings of the focus group interviews performed by Ipsos, except that the interviewees in the focus groups seem to have had partly better knowledge about the legislative framework.<sup>52</sup>

The French consumers are split when it comes to worries about privacy infringements. 50% are worried, whereas ca. 40 % are not.<sup>53</sup> In the focus groups, worries were expressed that consumers might be spied on when surfing on the Internet, whereas others had no concerns at all, and expressed rather pragmatic views regarding privacy, seeing information flows as part of the “deal” of Internet consumption.<sup>54</sup> However, there seems to be no real mainstream on this issue, and the actual experience of privacy infringements is rather low, which might be a sign of both high degree of enforcement, ignorance and/or that companies are generally well behaved. The level of trust in private companies does reflect a similar ambiguity in the French population as with regard to privacy, however with a higher percentage of negative attitudes.

**Spanish** respondents claim to be very knowledgeable about the Internet and somewhat less knowledgeable than the French about data mining. Regarding legal matters, the Spanish respondents seem to be split up in two strands- the first of about 40 % claim to know something about the legislative situation in France, whereas the other 60 % are ignorant about it. The focus groups reflected quite another picture of the Spanish citizens. Ekos Research Associates report that “there is a total lack of information”, and that “there is no proactive attitude in seeking such legal information”. The interviewees felt disillusioned with society in terms of consumer protection. They knew about the possibilities for judicial enactment in case of problems, but they seem to have little hope for action, describing the process as slow and bureaucratic. In addition, one part of the Spanish interviewees in the focus groups seems more critical against private companies, which are perceived as information-hungry organisations. Another part is more relaxed regarding privacy infringements. Ekos Research Associates state

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<sup>51</sup> GPD survey, question 2, 13.

<sup>52</sup> Ipsos France (2005), p. 9f, 16ff. GPD survey, questions 1.1, 1.6, 3.2.

<sup>53</sup> GPD survey, question 11. Ipsos France (2005), p. 10.

<sup>54</sup> Ipsos France (2005), p. 10.

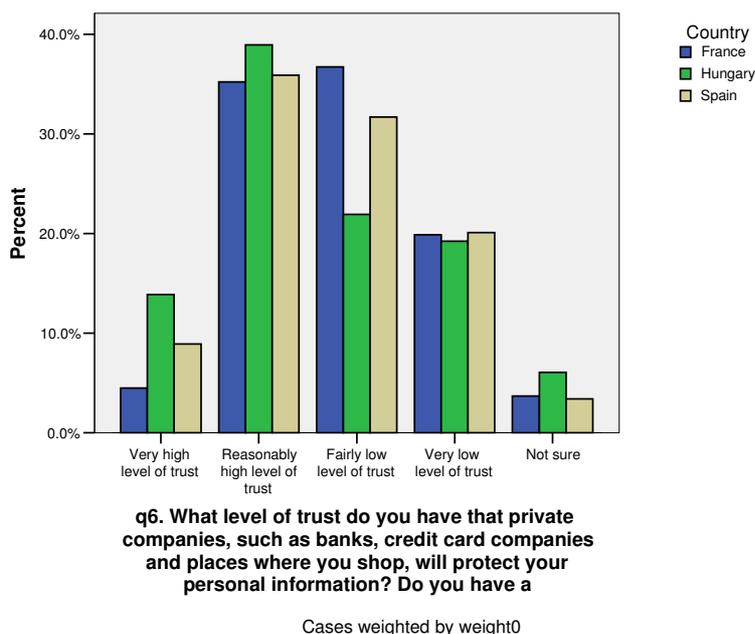
that “there is a complete unawareness about safety laws in Web pages” and that no interviewees had read available information regarding security and privacy.<sup>55</sup> The ignorance that was expressed in the focus groups and by ca. 60 % of the respondents to the survey is a sign of powerlessness and fit very well into the assumption that the Spanish consumer rights regime is a good model on paper but that it might not always be very effective.

The interviewees in the focus groups express considerable anxiety about the behaviour of private companies, about their power and thus also about the powerlessness of Spanish consumers. This view is also represented in the survey data, where 51,8 % do not trust private companies. (On the other hand 44,8 % do.) Distribution of data (information about/without) is seen as very negative and highly inappropriate. Spanish respondents are also most likely to find profiling inappropriate, although again, a large part accepts such practices.

The **Hungarian** respondents to the survey are the least knowledgeable in term of the Internet, data mining and applicable legislation. At the same time, they are most likely to trust private companies, not to read privacy policies of private companies, to accept profiling practices and not to disapprove with private companies that sell personal data to third parties. They are most likely to claim having little or no say about what happens to their personal information in comparison to French and Spanish respondents.<sup>56</sup> The graph below is typical for Hungarian opinions.

Graph 3: Question 6. Source: GDP Survey

The stand in stark contrast to the results of the focus group interviews, where Ipsos Szonda (2004) considered the Hungarian interviewees to be aware of privacy infringements and to be personally involved in the problematic. The consumers did not represent this picture, but were not concerned with for example privacy policies and smart cards. A major problem in the



<sup>55</sup> Ekos Research Associates (2005), p. 7ff. GPD survey, questions 1.1, 1.6, 3.2.

Internet is that often, the entire webpage is in English, and the privacy policies can be quite lengthy. This reduced the propensity for the Hungarian consumers in the focus groups to read them. Although this problem ought to be relevant for all three countries, it was only brought up in the case of Hungary. One possible reason is that Hungary is a small country in comparison, and whereas Spanish and French consumers have the chance to consumer in their mother tongue on the Internet, this might not be the case for Hungarians. In addition, Hungarian respondents are more likely to answer "Don't know" than are Spanish or French respondents. Only on one question in the main part of the survey do the French respondents have more unsure answers, namely, on the question if the legislation is effective at protecting personal information.<sup>57</sup>

The paradox about Hungary and the Hungarian responses to the survey is that even though the Hungarian consumer right regime gives the consumer a relatively weak role, and even though the citizens have often experienced malpractices, both from political parties, companies and the government, they still express their trust in these organisations. If this is resignation in face of the totality of the problem or if there are facets that have not been caught by neither the focus groups nor the survey remains unknown. In the next part, focus shall be turned to discuss the results of the GPD survey and turn to the research questions and hypotheses asked in section 1.

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<sup>56</sup> GPD survey, questions 1.1, 1.6, 3.2, 7.9, 19.1, 19.3, 28

<sup>57</sup> GPD survey, question 4.2.

## **5. Conclusions**

To follow

## **6. Literature**

To follow