TECHNIUM
SOCIAL SCIENCES JOURNAL

Vol. 29, 2022

A new decade for social changes

ISSN 2668-7798
9 772668 779000

www.techniumscience.com

TECHNIUM SOCIAL SCIENCES JOURNAL

Technium Social Sciences Journal
Vol. 29, 1-12, March, 2022
ISSN: 2668-7798
www.techniumscience.com

European public policies about the digitalization of the financial sector and the analysis of procedural stages

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Abstract. This study seeks to point out the idea that the purpose of the analysis is to consider public policies related to elements that influence the development in a certain way. The future of the finances is digital: consumers and enterprises have begun to call on digital financial services. The market's creative participants use new technology, and existing business are changing. Digital funding helps citizens and enterprises resist to unprecedented situations due to COVID-19 pandemic, for example, online authentication allows people to open accounts and to use many services from distance. Increasing proportion of in-store payments is presently digital, and electronic trade has increased dramatically. Ensuring a safe and reliable activity of digital infrastructure is also thanks to the increasing number of online financial services users and to financial sector employee which works on their own from distance. If there are any doubts, now is clear that digital funding could bring benefits, and citizens alongside European enterprises are ready to receive it. Europe must take advantage of this on its recovery activity to repair the damage caused by the pandemic. Digital technology will be essential for new releases. This would help Europe to become a global digital player. The European financial sector can create many projects in all Member States and may play a leading role in areas like digital payment technology. This would bring huge benefits to both consumers and enterprising.

Key words: public policies, digitalization, financial sector, analysis.

1. The Public Policies – conceptual approaches

The public policies field may be very well defined, by approaching the study of political-administrative decisions on the allocation of different form of resources (material, financial, symbolic). Public policies are actions taken by the government (locally or centrally) which answer to the problems society has. We are referring to public policies when a locally or centrally authority tries with the help of some action programs coordinate to change the socio-economic and cultural environment of social players.

In literature, we find different definitions, but all of them agree to one significative aspect – public policy is a consequence of the decisions taken by leaders.

To understand this term, we can consider some additional definitions:

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According to the first given definition by Thomas Daeman, public policy is "everything the government decide to do or not to do"[1].

The second definition, more significant, is provided by William Jenkins. According to him, the public order is "a set of interrelated decisions, taken by a political player or a group of players, looking for a variety of purposes and means necessary in order to touch them in a given situation"[2].

Another definition we are looking at belongs to James Anderson. Anderson observed that government policies are "a course of actions followed by one or more political player, with a certain purpose, in an attempt to solve a problem"[3].

This definitions highlights key-elements of public policies analysis: a political decision taken by political players in order to use certain means for solving problems. Next, we'll talk the following aspects: who decide to solve, what problem should be solved, formulate solutions and what tools may be used.

2. The European Commission's public policies.

2.1 . European Commission and its part in establishing of public policies.

The European Commission (EC) is an institution of the European Union, responsible for proposing legislation, implementing decisions, upholding the EU treaties, and managing the day-to-day business of the EU"[4]. "Commissioners swear an oath at the European Court of Justice in Luxembourg City, pledging to respect the treaties and to be completely independent in carrying out their duties during their mandate"[5].

"The Commission operates as a cabinet government, with 27 members of the Commission (informally known as commissioners)"[6]. Every member state of European Union has the member state in within the Commission and is required to represent the EU common interests, and not the national interests of the state that are part of. One of the 28 members is the President of the Commission, which is proposed by the European Council and elected by European Parliament. The European Union Council appoint and then the other 27 members of The Commission which are agree with the presidential candidate, followed by 27 members like a single organism voted on in the European Parliament. The current Commission is the Von der Leyen Commission, which has taken office on 1st December 2019.

The term Commission refers either to the 27 members of the Council of Commissioners or to appoint administrative bodies made up of 32 000 European civil servants who are divided in departments called General Directorate and Services. The procedural (working) languages of the Commission are English, French and German. The members of the Commission and their offices (the working groups) are based in the Berleimont building in Bruxelles.

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[1] Dye, Thomas R, *„Understanding Public Policy",* Publisher Upper Saddle River, N.J. Prentice Hall, 1998, p. 50

[2] Jenkins, William, *„Policy Analysis: A Political and Organizational Perspective*", Publisher Martin Robertson, London, 1978, p. 20

[3] Anderson, James E., *„Public Policy Making: An Introductio*n", Publisher Houghton Mifflin College Div, 1996, Princeton p. 120

[4] Official UE site, European Commission, https://europa.eu/european-union/about-eu/institutions-bodies/european-commission_ro#prezentare-generală, accessed on 20 November 2020

[5] Official UE site, European Commission, https://ec.europa.eu/commission/presscorner/detail/en/IP_10_487, accessed on 22 November 2020

[6] Official UE site, European Commission, https://europa.eu/european-union/about-eu/institutions-bodies/european-commission_ro#prezentare-generală, accessed on 20 November 2020

European Commission plays an active role in drafting the EU's global strategy and in the development and implementation of EU policy. It regularly conducts assessments and reports about his policies.

Together with another important institution of EU, European Commission establish the overall strategy and directions for EU policy.

Every five years, at the beginning of the powers of each Commission, its President also define the priorities for this term of office.

Every year, the Commission turns the priorities into specific actions defined in the work program, which contains an action plan for the next twelve months.

The European Commission develops and implements the EU policy:

- submits legislative proposals to the European Parliament and to the Council of the European Union.
- helps member states to apply EU rules.
- manages the EU budget and distributes funds.
- ensures, alongside with the Court, compliance with the European law.
- represents the European Union abroad alongside with the EU's diplomatic service, European External Action Service.

EU policy is designed in favor of Europe's citizens, enterprises, and state administration. Any new policy proposed by the Commission must first be approved internally, following the standard procedure.

To ensure that policy is based on specific data and includes the best existing practice, the Commission uses a set of tools for a better regulation.

The European Commission plans every activity and reports on events in an annual cycle known as the strategic planning and appointment cycle. All the reports received are periodically published.

The Commission is constantly checking if EU policy is responding to the needs of enterprises and European citizens. In its estimates, it measures the efficiency, relevance, coherence, and EU added value. The Commission informs the public about the time of the assessments in the evaluation roadmaps.

2.2. The Importance of public policies in the European Union

Government policy tends to mark both the overall purpose of government action and opinions on the best or the best ways to implement, more precisely the actions of the government on achieving one or more objectives. A policy may have at least 2 different meaning: it can refer either to the way of doing something (rules and procedures), to what it can be called administrative policies, or to what is done, such as the basic programs. Public policies research often uses both directions. In order to take more coherent actions, governments usually formulate the main priorities which underpin the overall policies, such as social, economic and external policy, which in turn includes more specific industrial policies such as trade, police, aid, medicine, agriculture. Therefore, *agricultural policy* may be described as an industrial policy created to achieve certain agricultural objectives, which are based on more general policies, for example, *economic policy*.

Many measures or means are often necessary to implement the policy and are often controversial because they involve coercion or the threat of punishment if not followed. In each case, the measures include resources (collected, borrowed, or purchased, produced and consumed, accumulated, distributed, borrowed or sold) and rules (prohibitions, obligations, permits, rights and privileges to do or not to do something). The formation of public policies is, nominally, the answer to both problems and opportunities. The politics (both purposes and means) is also controversial, because they are influenced by the general ideologies of the main political parties, by the struggle for political power and the interest of *pressure groups*. Existing policies may also be modified when problems persist, or when new problems arise or are added. Public policies reflect changes in society, but they also generate them.

Initially, government policy was designed to ensure the physical safety of the population and to maintain peace. Once with the goods production and the trade has risen, governments have intervened to regulate the so-called market economy and to help stimulate production, providing infrastructures such as railways, roads, canals, waters, ports and warehouse. As a response to urbanisation and to further transformation of the society, governments have developed *policies in the field of education* and *healthcare* and launched major land development operations. After the World War II, especially within social policies, they intervened in the stabilization of production and services, healthcare insurance and distribution of income.

Federal government has the jurisdiction over several sectors, sometimes exclusively, such as foreign relations, defense policy, currency, stocks, means and patents and sometimes in cooperation with provincial governments such as scientific research or agriculture. Other policy areas tend to belong to local or regional jurisdictions. For example, provincials governments are responsible for education, highways, and local public works. Provincial governments are also involved in many other sectors, including the producing of the electrical energy, mining and forestry development, health services and the police.

Government activities are, in fact, financed by taxes, which is a mandatory general deduction, with no compensation other than the benefits of a particular government policy. The taxes that represent the mandatory price of these benefits are not consistent with individual taxpayers, but instead are the result of the government decisions taken within the fiscal policy – one of the most important and controversial policy of any existing government.

3. European Commission public policies on the digitalization of the financial sector.

There is a strong political bond between the Commission and the Parliament:

- The President and other Members of the Commission (Commissioners) must be approved by European Parliament.
- Consultations are taking place with the Parliament on the appointment of deputy commissioners who are dismissed from this position, as they have been informed in advance, and on the planned redistribution on responsibilities within the Commission.
- The parliament may submit a petition to the President of Commission requiring the resignation of a Member of Commission. In this case, the President examines the request and provide an explication in case of denial.
- The Members of Commission may take part in elections to European Parliament. In such cases, the agreement should establish the precautionary measures for the proper allocation of tasks to the Commissioners and their electoral activity.

The communication aims to establish an effective cooperation between the Commission and Parliament. This objective can be achieved:

- organizing regular reunions between the representatives of two institutions, for example between the Council of Commissioners and heads of parliamentary committees.

- the agreement of the two parts to examine in detail any solicitation of one of the institutions.
- the obligation of the Commission to guarantee equal access for Parliament in its relations with the Council concerning reunions and documents relating to legislative and budgetary procedures.
- ensuring that the Parliament is fully informed during the negotiation and the conclusions of international agreements, which EU is a part of.

4. Ensuring a U.E.'s regulatory framework on the digitalization of finance

The aim of the digital finance strategy is to ensure the E.U. legal framework for financing the suitable services to the digital era. This includes activating the use of innovative technologies and the framework compatible with the prevailing best practices in the interior for producing and introducing of software. Many respondents who have been participating to public consultations agreed that E.U.'s rules must be technology-neutral and more innovative, and they should adapt faster to innovation, continuing to follow. All the rules ensure that they function safely and protect users.

Enabling the EU's markets for cryptocurrencies and tokenized financial tools.

By 2024, European Union must create a comprehensive framework for using the distributed registration technologies and cryptocurrencies in the financial sector. It should also reflect on the risks associated with these technologies.

Crypto-assets and associated blockchains can offer significant opportunities to the financial field: potentially cheap and fast payments, especially for cross-border and international transactions, new opportunities for SME and more efficient capital markets. Service tokens can serve as a facilitator for decentralized blockchain networks, and stable cryptocurrencies can support payment in mobility, energy, and manufacturing sectors. However, they also pose risks, so they must be monitored and regulated properly.

The Commission propose today a law to accompany this strategy. It will clarify the application of existing E.U.'s rules to cryptocurrencies, introduce a pilot scheme for crypto-assets covered by these rules, and establish a new E.U. legal framework for crypto-assets which are not covered by these rules, based on a classifying system with definitions of different types of cryptocurrencies. The latter, deal with utility tokens and specific rules to regulate the particular risks of financial stability and monetary sovereignty, which are associated with tokens covered by assets (also known as stable cryptocurrencies). Further interpretative guidance on the application of the existing rules will improve the clarity of regulations and enable the financial sector to achieve efficiencies through a more widespread use of distributed ledger technology on capital markets, while safety rules continue to be respected and the protection of the costumer is maintained at a high-level.

At the same time, in the ongoing works, the Commission will take in consideration updating the prudential rules for cryptocurrencies administrated by financial companies. The Commission will also examine how it can be raised to improve the activities of SMEs in terms of capital injection.

Digital technologies have also the potential for central banks to develop in a digital way the central bank's currency as a digital exchange to cash and catalysis for continuous innovation in payments, finance, and trade. As it is described in the retail payments strategy, the Commission support the work of central banks and, in particular, the ECB by considering issuing a publicly available digital central bank currency, while safeguarding the status of euro cash as a legal tender.

Finally, the Commission will promote development and investment in the low and zero emission sector and the internet of things, working with the Sustainable Finance Platform, aiming to integrate these sectors into the classification system by 2021, sustainable finance.

Promoting collaboration and using cloud computing infrastructure.

Cloud computing technology facilitates very easy, fast, and flexible upgrades and transition to a modular IT architecture which promote collaboration and it's the best suitable to digital applications inherent in cloud computing. In order to achieve this goal and ensure that EU's banks and financial services can achieve the benefits of using cloud computing services in a highly secure way, The Commission is currently proposing a monitoring framework for critical third-party ICT service providers in the financial sector, such as costumers offering cloud computing services. In the context of highly concentrated market, the Commission propose in EU's data strategy to create a European market for IT services by the end of 2022 integrating the full range of cloud computing services. This market facilitates access to alternative cloud computing service providers, including the financial sector.

The Commission will also support the cooperation by moving to an activity based regulatory framework. But policy measures which refer to increased competition and liquidity based on their already available self-regulatory codes of conduct developed by the industry in terms of switching cloud services providers and data transfer are expected to encourage adoption of cloud computing in the financial sector. The Commission is asking the European Union Agency for Cybersecurity *ENISA* to develop a cybersecurity certification scheme for IT services in line with the Cybersecurity Act, which will enhance trust in the use of cloud computing, in particular financial services, and regulators. Further actions may include measures to facilitate the transition to a modular IT architecture and the possibility of cooperating with other players. These kinds of relations may also be cultivated in the context of EU's Platform for the Financial Sector, in cooperation between holders and new entrants.

Facilitating the introduction of artificial intelligence tools.

The Commission, in collaboration with the ESA, wants clarity by 2024 to create supervisory expectations concerning the legal framework of financial services that must apply to artificial intelligence AI request.

The main promise of the latest AI tools is that they make predictions easier to make it accessible. This allows companies to save costs. As production technology becomes more accurate and reliable, it can also lead to more productive business models and new ways to compete. For consumers, using AI applications can allow companies to improve and offer more low-cost services. In some cases, the people that had access to financial services before, they can still access them.

As outlined in the White Paper on artificial intelligence, the Commission will use AI by proposing significant investment at EU's level, as well as a new offer to the regulatory framework for AI that reflects our European values.

Most participants in the public consultation had the following view: the EU's financial sector needs an EU wide culture of the use of AI applications in finance and their treatment in rules. The financial sector outlined that there is a lack of legal clarity on the consequences of EU's rules in light of this. The clients showed a lack of understating of the transparency on how to achieve a particular result and they were afraid of being biased by abusive representations and profiles, as well as for difficulties in provoking AI based results. The supervisors have

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Technium Social Sciences Journal
Vol. 29, 1-12, March, 2022
ISSN: 2668-7798
www.techniumscience.com

outlined this lack of expertise and clarity on how specifically the UE regulations must be applied.

Therefore, the Commission will request to European regulators and the ECB to analyze whether they can control regulatory guidance for the use of AI applications in finance. These guidelines should be in line with the proposal for a new regulatory framework for AI, scheduled for 2021. Officials should strive to achieve clarity in this connection, the regulatory expectations and risk reductions, so that the safe solutions based on AI can be finally properly and ethically applied to the EU's financial sector, about the general challenges associated with the use of the instruments take in line with non-comprehensive practices in the form of price adjustments through IA's tools, this will lead to the Commission monitoring of the Commission's White Paper.

To ensure a future-proof legal framework on a continuous basis

The Commission is working through regular legislative reviews and interpretative guidelines to ensure that the regulatory framework for funding services does not prescribe or prohibit the use of certain technologies and that regulatory objectives are still being met.

The uncertainty in determining prevents change in the financial filed and can also be harmful to consumers or investors. Beside the main issues addressed in this strategy, the Commission will consider, where necessary, in all future legislative reviews if keep it up with the digital financing aspects.

As digital innovation progresses, new regulatory growing questions my arise. The Commission will provide regular information in the context of the digital financing activity on digital finance. On this idea, it provides guidance through regular interpretative communication for the interpretation of the EU's regulatory framework. The first interpretative announcement, which will be launched in 2021, will clarify the treatment of crypto assets, in addition to the relevant legislative proposals of the Commission.

5. Creating a European financial data space

In its new European data strategy, the Commission outlined that the availability and sharing of data must be improved in the EU, thus expanding the private and public data access in the interest of people, business, and wide public interest. As a part of this measures, connected with other areas' measures, the Commission intends to build on a common space of financial data by implementing several more specific measures, presented in this section. The commission's objective is helping Europeans' capital markets to integrate, to guide investments in suitable activities, support innovation and improve the efficiency of consumers and businesses. The Commission will establish a close cooperation with European Supervisory Authorities, a group of experts in data field, in charge with guidance on technical appearances related to the creation of some common issues linked of financial information space.

Real-time digital transfer of all regulated financial information facilitating access.

Information that are willing to be published under Eu's legislative basis in financial services should be published in standard forms which can be read by machines, by 2024. In its capital markets action plan, the Commission implements EU's infrastructure that facilitated all capital markets the availability the access of relevant publicly to publications.

Currently, the financial institutions are forced to disclose a large amount of financial information. As regards the digital environment, the Commission has decided to ensure that the rules are protected and automatically classified in an electronic format, regarding information, the Commission has decided to ensure that the publicly available financial information

Technium Social Sciences Journal
Vol. 29, 1-12, March, 2022
ISSN: 2668-7798
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contained in the national register is considered in the opening declaration. The Commission also intends to consider the issue of cryptocurrencies from now on, proposing changes to EU's legislation in the area of financial services, requiring publications to be made systematically available in an automatically readable form. As regard the capital markets union, the Commission intends to help EU's infrastructure and developing interoperability for all publicly available publications can be facilitated. The infrastructure is designed so that funding can be allocated from the new Digital Europe programs to support EU's digital in strengthening the ability of promoting the adoption and redundancy the new technologies.

Improving innovative IT tools for reporting and monitoring facilitation

The EU plans to create the conditions by 2024 for: regulated companies can use innovative such as RegTech and SupTech tools, in reporting and that they also be used under official control. It should also promote the sharing of data between supervisory authorities. The Commission intends to collaborate with the European supervisory authorities to develop a data monitoring strategy in 2021 that takes in consideration of the audit of the functioning of the supervisory reporting legislation. The aim of the strategy is to ensure that:

- the reporting requirements (including definitions, formats, and processes) are unambiguous, adapted, harmonized and appropriate for automated reporting.
- existing international standards and identifiers are used, including the code of the legal entity.
- the monitoring data are reported in electronic format that can be read automatically and easily combined and manipulated. This facilitates the use of RegTech's tools in reporting and the use of SupTech tools in data analysis by authorities. *Promoting data exchange between companies in the EU financial sector and beyond (open financial services)*

By 2024, the EU must create, according to the EU's data strategy, the future legislation about data sharing and the legislation on digital services' framework for open financial services. From this, coordination in the context of the revision of the payment services directive will happen.

The training on payment services was an important step towards banks and third-party service providers with the consent of customers sharing and using data to create new financial services. The Commission will start in 2021 on payment services including a review of its scope.

Open financial services for better financial products, more specific advice have more favorable access for consumers and for transactions, between companies lead to greater efficiency. It is also possible the access to more costumer's data would make providers more personalized, more suited to the unique needs of customers by offering personalized services. The sharing of data on financial products has a balanced regulatory framework and will support the financial sector in using completely the financial services based on data and the effective involvement of stakeholders who need to have full control over their data.

6. Addressing the new challenges and risks of the digital transformation

Financial stability, investor and consumer protection are the same activity, the same risk, the same rules.

The EU prudential and operational framework should be adapted by 2024 and supervision to meet the future requirements of the new financial ecosystem including traditional regulated financial institutions and technology providers, that are providing financial services.

Technology companies, large and small, are increasingly directly or indirectly involved in Finance Services. The great technology of companies often acts as intermediaries, combining different services and products with related services, such as payments, financing, or insurance, and thus becoming financial services markets. It can quickly expand financial services in their large user bases and radically change market structures, sometimes negatively affecting competition. Finally, large tech companies also offer many digital technology solutions used in providing financial services in it including hardware, software, and cloud computing solutions.

Therefore, it is likely that technology companies will become an integral part of the financial ecosystem and most customers at the public consultation expect risks. It is important to address all these risks, not only those affecting customers (insurance employees, investors and depositors) but also broader issues of financial stability and competition. Such questions are important both in terms of how technology companies provide financial services to both consumers and providers, as well as possible side effects between mixed groups of financial and non-financial components. In this context, the establishment and supervision should be proportionate, based on the principle of equal treatment, equal risk, equal treatment, and special attention should be paid to the risks of significant operators.

In addition, the technology helps to break down pre-integrated value chains for a particular service financial situation. While most financial services are traditionally offered by a service provider, digital technology has allowed companies to specialize in a specific area of the value chain. This increases competition and can improve efficiency. However, it also makes value chains more complex, making it more difficult for supervisors to get an overview of the risks in the value chain, especially if the entities involved are subject to different regulatory and supervisory systems.

The Commission will adapt existing actions and EU's prudential legislation there where it is necessary to continue to preserve financial stability and help clients in line with the principle of the same activity, the same risk, the same rules. The Commission in this process will accordingly cooperate with the *ECB,* the national central banks.

Firstly, as set out in the retail payment strategy, the Commission will control *the Payment Services Directive and the e-Money Directive.*

Second, it will assess how to ensure comprehensive supervision of the more fragmented securities of more fragmented chains and new financial service providers. One of the features included in the cryptocurrency proposal presented with this strategy is the establishment of a supervision of courses for the ecosystem of a financial services value chain.

Third, the Commission will explore ways to ensure that the scope of prudential supervision is broad enough to cover the risks arising from the provision of the financial services that technology platforms and companies provide, and from conglomerates and technology-financial groups. There it will be intended to consider whether the collective supervision provisions in EU financial law have services, such as the *FICOD* Financial Conglomerates Directive, broad enough and the institutional sphere flexible enough to adapt to the structure of the financial market that is constantly changing regardless of the corporate structure and the main activities of the group. The additional supervision of group risk included in the Financial Conglomerates Directive could be, one way to strengthen cooperation between sectoral supervisors to obtain an overview of the financial services offered by the various service providers.

Fourthly, the Commission is examining the need for legislative proposals to address the potential risks posed by the large-scale potential loans it provides to companies outside the banking framework, and these can be both micro- prudential and macro-prudential risks.

In preparing these measures, the Commission seeks advice from the ESAs on *the same activities, the same risk, the same rules,* more fragmented value chains, the supervisory area and the prudential risks associated with loans that are not granted by banks and a necessary legislative change will be decided by mid-2022.

Protection of the consumer and public interest

The EU must identify the objectives of all measures taken to implement this strategy, with the aim of empowering and protecting consumers to ensure that they benefit from access to safe innovation in wider products and services. And at the same time, to protect the public interest against the risk of money laundering, terrorist financing and any other inappropriate financial behavior, including tax evasion.

In the digital world, consumers and investors have access to more finance services, including much cheaper and much more innovative services. Thanks to digital interoperability, identities will allow easier remote and cross-border access to these products. At the same time, there was a general agreement among the participants in the public consultation that technology companies are gaining market shares in financial services, these arise for consumers other risks, which may include the unintended consequences of the potential for reducing competition.

The Commission will include the objective of facilitating consumers' access to financial services in the current risk solution for the implementation of all elements of this strategy. In this respect the new framework for secure remote identification plays an important role, making easier the access to published information and adding a new framework for open funding.

The Commission will assess whether and how customer protection and aspects can be improved under several EU legislation to consider the new digital ways of providing financial services. Part of the financial services sector framework has several rules for the protection of consumers and personal data, including rules on business conduct, disclosure, creditworthiness, or credit advice. The Directive on the provision of financial services at a distance still sets out the requirements for the distance marketing of financial services. In relation to the plan with the revision of the legislation, the Commission will systematically assess whether the rules target consumer protection and the regulatory framework for combating money laundering, terrorist financing and any other inappropriate financial behavior, including tax adapted to the digital world, and, if necessary, propose changes to the legal framework rules.

Finally, to ensure that European consumers are informed about these opportunities and the realization of the potential of digital financial products and services in the fight against financial exclusion, the Commission stands ready to support the financing of financial programs the digitalization literacy to be implemented by Member States, for example through the Structural Reform Support Service. At the same time, the Commission will carefully analyze the digital aspect of the financial literacy measures proposed in the capital markets union action plan.

Conclusions

In conclusion, the Commission identified the key priorities and objectives for digital finance in Europe over the next four years, based on the responses received through extensive contacts with stakeholders. To achieve these objectives, the Commission is committed to implementing 4 public policy priorities: (1) *removing the fragmentation of the Digital Single Market*, it is the digital financing strategy that is designed to seize the opportunities offered by the Single Market to deliver the benefits of digital financial services to consumers and businesses. A well-functioning single market for digital financial services will help improve access for EU consumers and retail investors to more innovative, diversified, and comprehensive financial services, investments, and insurance. (2) *ensuring an EU regulatory framework on the digitalization of finance, the* aim of the digital finance strategy is to provide

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the EU legal framework for financing services suitable for the digital age. This includes activating the use of innovative technologies and making the framework compatible with the prevailing best practices in the interior for the production and introduction of software. Many respondents who participated in the public consultations agreed that EU rules needed to be technology-neutral and more innovative and that they should be able to adapt more quickly to innovation, continuing to follow. All rules ensure that they work safely and protect users. (3) *The creation of a European financial data space,* in its new European data strategy, the Commission has highlighted the availability and data sharing needs to be improved in the EU, thus expanding public and private data access in the interests of people, businesses and the wider public interest. As part of these measures and in close connection with measures in other areas, the Commission intends to build on a common area of financial data by implementing a number of more specific ones presented in this section. The Commission's aim is to help integrate Europeans' capital markets, guide investments in sustainable activities, support innovation and benefit the efficiency of consumers and businesses. The Commission will establish close cooperation with the European Supervisory Authorities, a data expert group tasked with providing guidance on technical appearances related to the creation of common issues related to the financial information space. (4) *addressing the new challenges and risks of the digital transformation,* technology companies, large and small, are increasingly directly or indirectly involved in the financing of services. The great technology of companies often acts as intermediaries, combining different services and products with related services, such as payments, financing, or insurance, and thus becoming financial services markets. It can quickly expand financial services in their large user bases and radically change market structures, sometimes negatively affecting competition. Finally, large tech companies also offer many digital technology solutions used in providing financial services in it including hardware, software, and cloud computing solutions.

In addition, private stakeholders, national entities, and the European Union need to work closely together. Through digital financing data operations, the Commission encourages consumers to carry out their work. Established financial firms, new financial technology companies and their employees are actively involved in the implementation of this strategy. The Commission will cooperate with legislators and the governance community at both European and national level. Member States and national supervisors should continue and expand their many innovation initiatives, expanding into national markets to cover the EU Single Market as a whole.

If we act, Europe can be a leader in digital finance, can support economic recovery and could bring benefits to European’s citizens and businesses.

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