

PPOCIR 2018 WORKSHOP
TORONTO, DEC 6TH - DEC 7TH

CONSUMER POLICY IN A WORLD OF DIGITAL DISRUPTION: NAVIGATING THE TERRAIN

PUBLIC POLICY-ORIENTED CONSUMER INTEREST RESEARCH PARTNERSHIP
PARTENARIAT CANADIEN DE RECHERCHE POUR LA POLITIQUE DE
PROTECTION DU CONSOMMATEUR

THURSDAY December 6th

I WELCOME AND INTRODUCTION

Disruption as Opportunity and Threat

Ellen Goddard, University of Alberta; Kernaghan Webb, Ryerson University

The purpose of the 2018 Public Policy- Oriented Consumer Interest Research (PPOCIR) workshop, “Consumer Policy in a World of Digital Disruption: Navigating the Terrain” is twofold.

1. The foremost purpose of this 2018 Workshop is to continue to share and disseminate public policy- consumer interest research conducted by members of the network. This includes highlighting the work of graduate students, who are considered a key part of the PPOCIR system. The research-to-policy initiative is supported by the SSHRC through a Partnership Development Grant.
2. A second purpose is to prepare an application for a full Partnership Grant from the Social Science and Humanities Research Council (SSHRC). Securing this grant would allow the PPOCIR network to advance its work creating cutting-edge, practical public policies for consumers based on careful research evidence collected by a wide range of researchers and partners from the public, private and civil society sectors. The Network can attribute some of its past success in obtaining SSHRC support to its innovative multi-party and multi-disciplinary approach to investigating consumer interest issues.

II CURRENCY DISRUPTION

Cryptocurrencies: Relevance and Risks for Consumers.

Session Chair: Derek Ireland, Carleton University

“Assessing the Emergence of ‘Alternative’ Currencies and Legal Risk: The Consumer's Perspective.” Based on a 2018 PIAC Report.

Michael Jenkin, Former Chair of the OECD Committee on Consumer Policy

The presentation is based on a report published in September 2018 by the Public Interest Advocacy Center (PIAC). In fact, new digital technologies have generated currencies (tokens) which are not duplicable: cryptocurrencies. There are over 1500 cryptocurrencies, but the most

frequently used is Bitcoin (about 70% of the market capitalization of all cryptocurrencies). Users are predominantly millennials. The purpose of the research is to explore the potential issues for consumers of this major disruptive technology. The cryptocurrencies don't have the fulfill key functions so they can not be an alternative for traditional currencies. And more, they can't deal with the volume and speed of transactions required; their services fees are very high and there is no system of redress when payments fail because they are not in any regulated system. Also, they have not proven to be a reliable store of value (their value changes rapidly and significantly frequently) and very few merchants and financial intermediaries accept cryptocurrencies in payment for goods or services. Even if cryptocurrencies exchanges can store and deposit, they are mainly speculative investments - and high-risk investments. It will be more suitable for the speculating investor and not for the average consumer because the latter use investments for saving. For now, most national governments have not sought to regulate cryptocurrencies from a consumer protection perspective. However, PIAC recommends policies to protect consumers given the potential for significant individual losses from cryptocurrencies. For instance, banks have two positions: most don't think it's a big issue and on the other hand, some including Canada have been examining the issuing Central Bank Digital Currencies.

III REGULATION AND DISRUPTION

“Regulating Disruption and Disrupting Regulation”

Bob Kerton, University of Waterloo

How does disruption interact with regulation and deregulation? Four different regulatory outcomes exist. The positive argument for regulation applies when consumers face unmanageable or unknown risks. Case 1 includes standardization where efficiency gains can be achieved (a nut properly fits on a bolt or computing systems are interoperable). Case 2 applies to removal of a needed regulation, often through skillful lobbying to the benefit of those who supply fakes and market lemons. The result can be catastrophic (loosened rules facilitated the 2008 financial crisis). Case 3 is very different: consumers in the market are not at risk for harm or danger (rules to require autos to stop at train tracks in provinces after all train traffic had ended). Restrictive licenses and quotas provide monopoly gains while imposing losses on consumers. Many regulations are in this Q3 category. Case 4 covers the deregulation of useless or harmful regulations. In Q4, disruption is normally the consumer's friend, improving well-being. When Uber enters a market, taxi quality (cleanliness, politeness etc.) sharply improves.

	REGULATE OR PROVIDE INCENTIVES	DISRUPT, DEREGULATE
CONDITION ↓		
HARM OR DANGER TO CONSUMER	Q1. YES 😊	Q2. NO 😞
NO HARM NOR DANGER TO CONSUMER	Q3. NO 😞	Q4. YES 😊

This research identifies seven key economic determinants for tech-based improvements – but the seven also affect the profitability of dishonest consumer practices in the disrupted internet era.

1. The e-speed disruption that allows scam artists to cast a wider net than ever before, finding gullible victims and self-identified silo-groups as political targets for behavioural manipulation.

Consumer policy includes vigilance through internet filters, credible and public quality reports (missing in Canada), certification sites and monitored crowd sharing (both need development).

2. Disruptive internet technology has decisively lowered the cost of deception.

(a) The cost of production of e-scams, for fake health claims and job scams or low-cost technically excellent, photos of fake e-lovers, fake pleas for financial help.

(b) Financing costs are plummeting through e-transfers and hard-to-trace bitcoins. First-mover scam artists are ahead of policy but the cost decrease producing harmful disruption is also the cost decrease that creates the consumer response through credible search sites, crowd sourcing, and fake-checking sites like Snopes, FactCheck.org, Scamwatch etc.

(c) Costs of distribution of e-goods and e-bads are momentarily lower, disrupting print journals music sales, cinema services and the financial sector ... while the same cost disruption creates powerful new opportunities for e-scams, pornography and identity theft. Consumer policy needs sensitive attention to positive and negative impacts in all four quadrants above. Necessary policy includes internet literacy, international co-operation among fraud agencies, co-ordinated sweeps of harmful sites and yet-to-be-developed web-based early warnings to consumers.

3. The proficiency of fake-bombing truthful information is sharply higher. The use of 'noise' (disinformation) to reduce the quality of market signals is an old and reliable method of raising search costs and confusing consumers. Disruption has created specialist firms to supply fake 'information for a price. The new proficiency has changed marginal costs and benefits. This in turn, explains the rise in markets as diverse as political manipulation exemplified by the Cambridge Analytica operation and the market for specialist firms to plant fake online reviews. Consumer policy to combat noise disruption includes: enforceable standards; legislation limiting 'click here' disclaimers; and the Competition Bureau's rule against astroturfing - planting false reviews - which arrived in 2015 with a \$1.25 million fine paid by Bell Canada.

4. The probability of being detected cheating is far lower than in the pre-internet economy because the terms of contracts are now more imbalanced, and it is much easier for international scammers to hide. Policy solutions include increased online transparency, prohibiting the use of online click boxes to acquire consent, and international cooperation among detecting agencies.

5. The policing budget for reducing harm is a challenge. New task forces against internet fraud requires public finance. Consumer NGOs could help but they too are poorly funded.

6. The visibility of harm is diminished compared to the old economy (hate speech is less conspicuous buried in online forums). Positive policy disruption is needed for better search engines, a National Quality Index, and a National Centre for Consumer Interest Research.

7. Market punishment of false information is often light (Volkswagen pollution devices). Administrative fines for malpractice are often insufficient. Policy must provide consumers ownership of personal data; and the law must motivate bad apples with 'name and shame'. Disruption embodies the two faces of Janus. One face offers wondrous new services while the second face provides the incentives for malevolent selling practices, silos of hatred and increased presence of lemons and fakes, New entrants in Q1 disrupt old monopolies with new or better services or superlative search engines. Yet the tech giants like Facebook, Google and Amazon are the new monopolies. The case for *regulating disruption* rests firmly in Q1 while strong argument for *disrupting regulation* exists in Q4 to thwart unnecessary rules.

IV EXPERTISE DEVELOPMENT

“Dispute settlement mechanisms of sharing economy platforms: Effective tools for access to justice?” Mohiminol Khandaker, Université Ottawa and Option consommateurs; Advisors: Maryse Guenette / Clarisse N'Kaa of Option consommateurs and Marina Pavlovic, Université Ottawa.

The sharing economy is based on peer-to-peer exchange and collaboration facilitated by online platforms. The sharing economy differs from the traditional economy because it involves the exchange of services between *peers* through transactions facilitated by online platforms, establishing a three-way relationship between the user, the provider, and the platform. Online sharing economy platform (OSEP) users often find themselves facing issues such as false advertising, hidden charges, or discrimination, which suggests a need for effective dispute settlement mechanisms. However, OSEP users encounter difficulties when using the dispute-settlement mechanisms offered by the platforms. In many cases, arbitration or forum selection clauses included in standard form contracts prevent users from bringing their dispute before a court. This research investigates the dispute-settlement mechanisms offered by online sharing economy platforms, the legal/regulatory framework overseeing these mechanisms, and the extent to which existing mechanisms comply with principles of equity and transparency. Internal dispute settlement mechanisms are offered by most OSEPs and allow the user and the provider of services to resolve the dispute internally in a cost-effective manner, but the process may be long and difficult for the user to navigate. Most OSEPs’ “Terms and Conditions” include an arbitration clause that submits any dispute arising out of or connected to the platform’s services to mandatory arbitration. Forum-selection agreements in OSEP consumer contracts establish the business’s home jurisdiction as the site of dispute resolution, which may impede consumer access to courts and substantive justice. While arbitration acts as a quasi-judicial mechanism, forum-selection clauses come into play at the “judicialization” stage, and precludes a party from seeking remedy in a non-nominated forum. In both cases, the consumer is not able access his/her “home-court”, and will have to bring the dispute either before a foreign court or before an arbitral tribunal. Ontario’s *Arbitration Act* requires a tribunal to stay proceedings in respect to a matter subject to arbitration under an arbitration agreement; the court must refer the matter to arbitration. Under Common Law, applicability of forum selection clauses must be analyzed according to criteria established by the Supreme Court of Canada in *ZI Pompey Industrie v. Ecu Line NV*; the plaintiff bears the burden of proof. In the European Union, *Regulation (EU) 524/2013* establishes an ODR platform that allows consumers and traders in the Union to resolve disputes through Online Dispute Resolution mechanisms. All traders in the European Union are required to include information towards ODR bodies on their websites. This provides consumers with uniform protection throughout the EU. The *Australian Consumer Act (ACL)* broadens the scope of consumer to include small and medium enterprises (SMEs) as benefiting from its protection, thereby protecting employees, “prosumers” and others from mandatory arbitration clauses and forum-selection clauses.

“Social Media, Its Use and Regulation: Evidence from Ryerson Student Survey Results”.

Madeleine Martin, PhD student, Ryerson University; Advisor: Kernaghan Webb.

Internet services such as those provided by Google, Facebook and Twitter are so well known and so frequently used, that they have almost become a “taken for granted” part of daily consumer

interactions. The terms of service (ToS) that so many consumers blithely “click through” and approve represent foundational legal documents setting out the rights and responsibilities of both the users and the service provider. At the same time, ToS regulate the activities of consumers (e.g., the Facebook terms of service regulates what can be uploaded by users on Facebook and the consequences of breach of the terms of service), while social media providers (SMPs) and ToS are regulated to some extent by law. Given the increasing significance of SMPs as primary mechanisms for online interaction in the public sphere, a more systematic approach to state/non-state regulation of online public sphere activities may be warranted. The research presented is part of a larger investigation that aims to 1) explore the terms of service of Google, Facebook and Twitter and user perceptions of these ToS in order to better understand how these agreements regulate user activities, and 2) examine the current Canadian legal framework that regulates or structures internet service providers with respect to the terms and conditions contained in the ToS, and discuss possible reform options. A survey was administered using a student research pool (N= 518), with the aim of gathering insight into consumer understandings of the contents of social media ToS and their application to SMP operations, social media provider obligations under their own ToS, social media provider obligations under the law, and government obligations concerning the operation of SMPs. Our findings concerning the reading of ToS agreements—whereby 96% of respondents indicated that they either omitted reading the ToS entirely or failed to read them carefully or completely— are corroborated by research conducted by other scholars. In spite of most respondents’ failure to read the ToS or failure to read it properly or completely, they demonstrated some understanding of the contents of the ToS, particularly in the areas of privacy, information security, and user conduct. The majority of respondents were also aware, for example, that content they are shown on SMPs is customized according to their demonstrated interests and behaviours. Respondents demonstrated a fairly good understanding of the responsibilities and powers of social media providers, for example, to curate content in their news feeds. Interestingly, a far greater proportion of respondents were in favour of holding SMPs legally accountable for breaches in consumer personal data than they were for other failures on the part of social media providers (e.g., violating their own ToS, allowing fake news to trend). Events in the last year suggest that consumers will be presented with some kind of solution to concerns raised around SMP powers, ToS agreements, and their implementation in the near future. This solution may take the shape of direct, formal sanctions imposed by governments in various jurisdictions or an inter-governmental body, a new voluntary standard or certification developed and administered by industry members or civil society, or a multi-actor, combined approach. While one of the aims of this investigation is to offer possible reform options, future research might look at evaluating new initiatives that emerge to address consumer concerns related to their use of social media platforms.

V SOCIAL MEDIA DISRUPTION

“Information Fiduciaries and the Grand Bargain to Make Tech Companies More Trustworthy” Professor Jonathan Zittrain, Harvard University.

When we go to the doctor or meet with our financial advisors, we offer those professionals sensitive personal information. We accordingly expect a certain standard of trustworthiness from that person – if it turned out the doctor was accepting a commission for prescribing us unnecessary or harmful medications, for example, our trust would have been violated. Doctors,

financial advisors, and other professionals serving in similarly sensitive roles are legally considered “fiduciaries” – entities with an obligation to act in a trustworthy manner aligned with the interests of their charges. Fiduciary duty is defined by loyalty.

Today’s big technology companies benefit from a degree of access to our personal information which rivals or exceeds that of these professionals. So perhaps they should take on fiduciary duty themselves, becoming *information* fiduciaries – custodians of personal data bound by a loyalty requirement. This framework might prove to be highly useful when conflicts emerge between the incentives of Facebook users and the financial incentives of the company itself – in the consumer advertising and political advertising realms, say. For example, if Facebook favoured one political candidate in a race over another, it might readily be able to identify users who share his political views and remind them to vote on election day (without offering any reminder to individuals likely to back the opposing candidate). Such conduct would constitute a breach of Facebook’s fiduciary duty to its users – its motivation would be to serve the interests of Facebook rather than those of its users. Such a framework – and its attendant benefits – could be introduced through new laws or voluntarily adopted standards outlining the duties and responsibilities of today’s technology companies.

"Social Media and Responsible Communication: We Need to Talk" Dr. Kernaghan Webb, Department of Law and Business, Ted Rogers School of Management, Ryerson University.

Although social media platforms have many beneficial features, the suggestion made here is that when looked at in the aggregate, there are also significant negative social media impacts on individuals, families, communities as well as on societal decision-making.

To this point, governments and others have been attempting to address these negative impacts in an ad hoc, incremental manner. The potential danger of the piecemeal problem-solving approach is that it could lull us into thinking that our social media problems are solved when in fact we may be under-estimating the holistic societal impacts. Our capability to develop, and be beguiled by, new IT-based innovations without fully understanding their implications is referred to here as an example of *technological adolescence* (Webb, 1990), not unlike the dangerous risk taking of teenagers who have all the physical attributes of adults, but lack some of the mental capabilities that can curb or restrain some of our tendencies to look before leaping.

If we adopt a *sustainable governance* approach (Webb, 2005) we may be able to avoid some of the pitfalls of technological adolescence. Such an approach would involve harnessing the unique capabilities of government, the private sector and civil society, through a combination of: rule instruments, processes, institutions and actors, with both collaborative and designed-in check-and-balance elements. In addition, peak multi-stakeholder bodies could be organized to regularly review the overall effects and respond to issues as they emerge. With such a series of initiatives there is a greater likelihood that we will be able to minimize the possible negative cumulative effects of social media while optimizing the positive benefits.

Drawing on underlying legal principles from privacy law, human rights law, tort law, contract law, consumer protection and other areas of regulatory law, the suggestion made here is that an emerging overarching approach of *responsible communication* can start to be articulated, which

can guide more specific state and non-state regulatory responses to social media, in a holistic way. The situation we are in now is not dissimilar to one we experienced with an earlier disruptive technology -- the introduction of the automobile at the beginning of the 20th century.

Gradually, over the course of more than 100 years, we have come to understand and address the cumulative societal impacts of the motor vehicle on individual human safety, on the way in which our transportation systems and cities have been designed and constructed, and on the physical ecosystem, and we have incrementally developed a diverse set of state and non-state responses that today could be described more broadly as a “responsible motor vehicle design and operation” multi-stakeholder regulatory governance approach. But arguably, having experienced this long learning curve “the hard way” -- with hundreds of thousands of fatalities and injuries, with depletion of fossil fuels, inefficient use of urban space and transportation gridlock, harmful air pollution and potentially devastating climate change -- have we also not learned enough to think that some higher level, regular multi-stakeholder review and response to the cumulative impacts all along the way as a technology becomes more pervasive, would not be beneficial?

The concepts of technological adolescence, sustainable governance, responsible communication, and multi-stakeholder decision making to review and respond to overall societal impacts of social media, are put forward here, not with the belief that broader societal social media problems will thereby be resolved, but rather in the belief that some of the more macro societal effects of social media might receive more concerted and systematic attention than would be possible if the current conventional, incremental approach to problem solving was followed.

References

Webb, K. (2005). Sustainable governance in the twenty-first century: Moving beyond instrument choice. In F. P. Eliadis et al (Eds.), *Designing government: From instruments to governance* (pp. 242-280). McGill-Queen's Press-MQUP [Download](#)

Webb, K. (1991). Taking Matters Into Their Own Hands: The Role of Citizens in Canadian Pollution Control Enforcement. *McGill Law Journal*, 36, pp. 770-830. [Download](#)

VI ENVIRONMENTAL DISRUPTION

“Flood Disruption and Asymmetric Information: Transformative Risk Management for Consumers”

Jason Thistlethwaite, University of Waterloo

In Canada, consumers are unaware of their exposure to disaster and climate change risk, such as flooding. This is unfortunate as flooding is the costliest type of natural disaster and the costs of flooding are increasing as climate change increases the frequency of extreme weather. Water damage now represents the costliest source of insurance claims, replacing fire. The responsibility to mitigate flood risk is being passed down to homeowners and municipalities (federal disaster assistance is less available, and the flood insurance is not available in high-risk areas).

Are Canadian's ready for flood risk management? The answer is clearly "no", based on a national survey conducted with 2300 respondents living in high risk flood zones across Canada. Despite living in a high-risk area, only 6% of the respondents were concerned about flood risk. Most of the respondents were willing to pay less than \$1000 for floodproofing measures, which is almost always more expensive. Flood insurance is not available in high risk areas where it is needed most. Municipalities continue to allow construction in these areas without knowledge of the financial risk purchasing such property poses to their citizens. As a consequence, property owners remain highly exposed to flood risk despite their belief that governments will be there to protect them.

Canadians will not be ready for flood risk management without government leadership. But there is no organized effort to engage government to establish a national strategy on flood risk management. For example, flood risk maps used to inform consumers of their risk are outdated and not designed for public understanding. A first step is for governments to provide maps to improve awareness and catalyze discussions among property owners and their communities of the most effective, efficient and legitimate means of managing flood risk.

VII DEVELOPING RESEARCH AND POLICY CAPABILITY

“The impact of technology on the funerary consumer experience: an analysis from the perspective of the well-being of bereaved consumers.”

Laurence Poulin, University of Laval; Advisor: Bernard Korai.

In Canada, the funeral industry generates approximately two billion dollars annually. This line of business is very lucrative considering the high costs of funeral services. Furthermore, this sector is booming due to the fact that Canada's population is aging. Funeral homes have, in the last few years, become ever more shrewd by offering a suite of personalized services. Recently, new digital technologies have been introduced into the funeral market, thus increasing business opportunities within the industry. It is therefore possible for bereaved families to broadcast a funeral service in real time, create a virtual (web) memorial, or purchase digitalized funeral items (QR codes for tombstones, Internet-connected urns, etc.).

All these unusual new digital technologies could be seen as intruding on the bereavement process. To some extent, these technologies may dehumanize the ritual, individualize it, and call the private life of the deceased into question. They may also prolong the bereavement process due to the breakdown of the physical and temporal barriers surrounding the bereavement space. These technologies therefore raise questions about the psychological well-being of the bereaved. The effects of the presence of technologies in the bereavement process have yet to be explored in the literature. Using an exploratory qualitative approach in Quebec, the purpose of the study is to analyze the consequences of these technologies on the perception that loved ones have of bereavement, and to understand how technology in the funeral market is contributing to changing our relationship with death.

“Determinants of Healthy Eating: The Case of Canada” « Les déterminants de la saine alimentation : Cas du Canada ».

Denise Godonou, M.A. University of Laval.

A quarter of the Canadian population is obese, with complications resulting in death. Treatment for chronic diseases linked to obesity is costly for the Canadian economy. To control obesity, it is important to follow a healthy diet. Despite the Canada Food Guide being available to the general public, it is clear that Canadians do not remotely follow the guidelines with regard to their diet. Therefore, it is important to know the determinants of healthy eating in order to identify the right steps to take to improve the quality of the diet of Canadians. In the literature, studies conducted up to now on the determinants of healthy eating are outdated and, even when they are recent, they are still based on data from 2004. Using a linear regression model, the purpose of the present study is to update the predictors of healthy eating for Canadians aged 18 and over using recent data, and to verify the effect of new variables.

The results show that currently the quality of the diet of the majority of Canadians is less than satisfactory, even though there has been an improvement since 2004. In terms of predictors, the known effect of classic variables (age, gender, education level, perceived well-being, income, ethnic background, and level of physical activity) has not changed. Regarding what has not yet been confirmed in previous studies, results show that food insecurity and the price of vegetables have a negative effect on the quality of nutrition. It is important to mention that new digital technologies may have positive or negative influences on eating habits (e.g. food tracking applications such as Eatery or eaTracker, or even advertisements for junk food on social networks). Although the study has not taken the effect of new digital technologies on the quality of nutrition into account, results suggest that it might be a good idea to direct more advertisements for healthy food toward men and young people. It might also be a good idea to configure the most popular food tracking applications to take the market price of food and the budget of the user into account before making suggestions for what food to buy and what dishes to prepare. These improved applications can therefore be advertised to help Canadians make informed food choices.

“The Need for Consumer Policy to Minimize Harm Associated with Cannabis Use and Control”.

Jovana Mitich, University of Guelph; Advisors: Anne Wilcock and May Aung.

Cannabis is currently leading several significant market disruptions since legalization occurred in November 2018. Canadian rates of cannabis consumption fall among the world’s highest. Early projections suggest nationwide 2018 tax revenue may reach hundreds of millions of dollars. A disruption stemming from the legalization of cannabis relates to the matter of enforcement. Although restrictions have been outlined by the federal government, provinces and territories are able to customize legislation; for example, while the federal government has established 19 as the minimum legal age for consumption, both Quebec and Alberta have lowered the age threshold to 18. Detecting cannabis in cases of suspected impaired driving will prove challenging because its high rates of drug-impaired driving have already been reported in Canada. Social disruptions that may follow the legalization of cannabis include tourism, workplace considerations, consumption in public spaces, and travel advisories. The *Cannabis Act* prohibits driving or working under the influence, but workplaces may be able to exercise

some discretion during social outings. Individuals in possession of cannabis will not be admitted to the United States, and those individuals working in the industry may also be prohibited from crossing the border. The state of Colorado's cannabis market offers several potentially useful lessons when considering legalization. In addition to retail, the Colorado market has grown to encompass various supporting businesses addressing tangential consumer needs. Furthermore, a wider range of cannabis products have been made available to meet more developed or advanced consumer needs and interests, with no reported shortages. In this market, customer satisfaction is paramount, evidenced by the emergence of loyalty programs, privacy guarantees, and consistent THC levels. The Colorado cannabis industry may offer a window into the future of disruption in its Canadian counterpart.

FRIDAY December 7th

I THE CASE FOR AN INVITATION FROM SSHRC FOR A PARTNERSHIP GRANT (PG)

Ellen Goddard, University of Alberta

1. Current status of the Partnership Grant Application:

- This first stage of the Social Science and Humanities Research Council (SSHRC) Partnership Grant has a value of up to \$20 000. Successful applicants will be invited to apply to Stage 2 of grant, which carries a value of \$500 000 per year over 4 to 7 years, up to a total of \$2 500 000.
- Stage 1 application is due on February 15, 2019. The application must be submitted by the University of Alberta, so that institution's procedures and deadlines must be followed.
- Stage 2 grant deadline has not yet been posted to the SSHRC website. Expected deadline is September 2019.

2. Important Considerations for the Partnership Grant Application:

2.1 Develop Budget Draft

- A decision must be made with respect to the number of years of funding the council will be applying for.
- The council is required to come up with 35% of total budget from own funds (multiply annual budget x 1.35).
- Some of this 35% can be in-kind contributions, but some of it should be cash contributions also.
- External organizations may prove useful in gathering the 35%, though, for example, in-kind contributions in form of employee time, or providing office space to graduate students. External organization employees could "charge" their standard consulting fee to determine the in-kind contribution dollar value.
- Multi-year grant timeline may prove challenging for external organizations unable to commit beyond the fiscal year (e.g., government agencies will not commit beyond 1 budgetary year).

- Organizations may find it easier to commit to a multi-year in-kind contribution in lieu of cash contributions.
- The grant requires only that applicants demonstrate that they have begun to confirm 35% budget in cash or in-kind, so there is some leeway in terms of gathering the remaining resources after the grant is secured.
- Academic applicants, co-applicants cannot “bill” for their time, and SSHRC no longer allows academic applicants to include teaching relief time.

2.2. Determine Stage 2 Partners (Co-applicants and Collaborators)— Consumer Protection Agencies; Consumer NGOs; Private Sector Affiliates; Universities

- Director, co-applicant, and collaborator CVs must be uploaded to SSHRC site prior to application for the second stage.
- Individuals from the private sector or federal government are not eligible to be co-applicants and may only participate as collaborators.
- Co-applicants may be non-profit organizations; however, it should be noted that SSHRC requires that even non-profit external applicants have jobs with a research component. SSHRC is looking for a research-orientation, which must be reflected in co-applicant CVs (e.g., CEO of an NGO may not be listed as an author on all the organization’s reports, so they may not be a suitable co-applicant). Co-applicants who work with academics or other market research companies publishing reports may be ideal, with their time counting towards an in-kind contribution.
- Whether partners and applicants are labelled as ‘co-applicants’ or ‘collaborators’ is significant because it will affect the organization’s access to funds throughout the duration of the grant.
- It was suggested that Consumers Council of Canada members may be suitable co-applicants due to the organization’s non-profit status - in addition to members’ research and publication contributions.

3. Goal and Project Description: Themes and Framing of Message

- Last year, a focus on the environment or climate change was suggested. Insurance disruption (e.g., as seen in Johnathan Thistlethwaite’s talk on flooding risks) is a useful segue into this line of research. Currently, the application’s message is framed in the context of digital disruption.
- Question was put to the audience of what should be added to the proposal that would be useful for addressing disruption. Members present for the discussion debated the merits of broadening the application’s scope.
 - It was remarked that the focus on digital disruption was chosen last year because that variety of disruption was considered “top-of-mind” with respect to political and social impacts that have occurred both over the last few years and are projected to continue into the near future.
 - In keeping with the spirit of the Partnership Grant, the notion of digital disruption has resonance with the broader public and in the real world.
 - Members came to an agreement that having a conceptual focal point —rather than a department store “all things to all people” approach— gives the application a story.

- Under the umbrella of this digitally disrupted marketplace context there remains room for including, for example, how environmental issues like climate change play out in the digital marketplace.
- The phrasing of the title was flagged as being potentially misleading; the application emphasis doesn't fall exclusively on the digital marketplace but rather on the global marketplace that has been disrupted by digital technology. Suggestions for rephrasing included, "...in a digitally disrupted world", and "...in a digitally disrupted context".
- The digital economy doesn't respect national boundaries— this should be formally recognized in the application as a means of encompassing the global context.

4. Immediate Priorities

4.1 Partner CVs

- Important to ensure that the SSHRC CV guidelines are followed.
- Some members have encountered technical difficulties uploading CV documents to the SSHRC website. Members encountering technical difficulties are instructed to get in touch with Ellen Goddard.

4.2 Expanding the Network

- Ask that members identify “geographic holes” in the network (e.g., paucity in members in the Maritimes).
- There is a gap in frontline organizations who deal directly with consumers across the country. Some suggestions include Canadian Association of Retired Persons, FAIR Canada, Canadian Automobile Association (APA (Quebec) - L' Association pour la Protection des Automobilistes), national credit counseling associations, smaller legal clinics.
- Other suggested partners:
 - Association for Consumer Research in the U.S. might be a useful resource, as some Canadian researchers are associated.
 - Think tanks, industry associations, Canadian banking associations. Interest in these sectors may be limited by the marketing interest-orientation of some of these industry members and groups.
 - Taking a privacy-oriented approach may be useful when engaging with industry members. Associations with privacy officers, for example, might be amenable to membership in the network—given that we are focussed on the digitally disrupted world, having an industry presence on the privacy-consumer consent side might be more effectual.
 - Internet Society Canadian chapter
 - Ombudsman for banks and financial advisors deal with consumer complaints, and likely have a policy orientation.
 - Industry standards organizations setting rules related to digital commerce.
 - Web browser companies
 - Commission for Complaints for Telecom-Television Services

5. Future Considerations

- If the PPOCIR council is invited to submit a Stage 2 application, the group must submit a plan for governance of partnership network (e.g., conflict resolution plan, clear strategic plan, relevant documentation). This can be discussed at a meeting prior to the submission of the second stage application.
- A plan must be developed for traditional publications and forms of dissemination, in addition to knowledge mobilization endeavours (e.g. *Policy Options* articles or other non-academic publications). SSHRC increasingly wants grant research to produce knowledge and content that is relevant to the average Canadian, mobilized outside of academic circles.
- Develop graduate student research network, with opportunities to present, and online portals for sharing research progress.

6. TO DO List

- Budget must be discussed. Content of application must be agreed upon.
- Participants are asked to review the application to ensure there are no significant gaps.
- At this phase in the application process, edits in the form of “pithy” paragraphs inserted into the body are more useful than track changes.
- Upload co-applicant CVs to SSHRC website.
- Aim to submit to U of Alberta by 2nd week of January.
- Organize meeting to review Stage 2 Partnership Grant application.

II PROTECTING PERSONAL INFORMATION

"Privacy and Security by Design: Regulatory Compliance Will Not be Enough to Preserve our Privacy in the Future".

Dr. Ann Cavoukian, Ryerson University

Privacy is about an individual's personal control and freedom of choice over the use of their own personal information. The right of individuals to “*informational self-determination*” is a cornerstone of democracy and the essence of personal freedom. Unlike surveillance (the antithesis of privacy), which limits an individual's cognitive bandwidth, privacy helps give life to innovation and creativity.

The E.U.'s recent adoption and enforcement of its General Data Protection Regulation (GDPR) is a positive and necessary regulatory response to evolving privacy-related challenges. Canada's privacy legislation (PIPEDA) and the Canadian Privacy Commissioner's Office are also in need of a major upgrade (e.g. the Privacy Commissioner's Office should be given the authority one would expect for a regulator). While regulations are an important means of protecting individual privacy, they cannot be the only means of preventing the misuse of people's personal information. Given that most privacy breaches are left undetected and unchallenged, a “*Privacy by Design*” approach is essential to addressing this governance gap. To achieve widespread acceptance of this approach we need to dispel the idea that greater protection of personal information is a “zero-sum game” (where the gains of one-party must equal losses for the other).

Privacy by design can be achieved without a compromise to collective security nor harm to business. The adoption of “*win-win*” paradigms can help us embed sustainable, secure, transparent and user-centric privacy solutions into current and future products/services as well as in their respective value chains. “*Good data hygiene*” (e.g. encryption, data maps, de-identification protocols, privacy impact assessments, data breach protocols) will pay for itself by preventing public and private organizations from making costly mistakes and, further, it will minimize the harm in the event of a data breach.

"The Cambridge Analytical Privacy Scandal: Lessons for Government, Business, Consumers, and Voters"

Dr. Colin Bennett, University of Victoria. Patching in by Skype.

The modern “campaign ecosystem” in North America includes the coordination of data collection, data analytics, polling, fund-raising, digital advertising, TV advertising, email and text outreach, social media outreach, event management, volunteer coordination, and Get-Out-the-Vote operations. All of these campaign mechanisms are informed by a growing pool of data resources. Data on the U.S. electorate is harvested from a range of sources, including electoral registers, donations data, census data, social media, tracked website visits, and commercial data brokers. Voter surveillance, made possible by this abundance of data, is more prevalent in the U.S. electorate than anywhere else in the world. The extent surveillance is explained by contextual factors such as the powers conferred by the First Amendment, the scale of the data brokerage industry, and the responsibility of political parties for registering their voters in the U.S.

Political analytics companies draw on this data to create unique voter profiles that include views on core and hot button issues. The Cambridge Analytica scandal broke when it was reported that the firm, which was used by the Trump campaign in the 2016 election, had engaged in a practice known as psychographic targeting which adds psychological components to traditional demographic variables. The statistical models built on individual voter files use proprietary algorithms to determine, who, how, and when to contact voters, and how to frame the message. This era of precise data has enabled campaigns to develop a profile of voters, allowing engagement in individualized conversations with members of the electorate both on- and offline. The data Cambridge Analytica gathered was harvested from 87 million Facebook profiles through a personality test app developed by Cambridge researcher Aleksandr Kogan, which was based on research indicating that Facebook “likes” could be used to predict personality, political persuasion, age, gender, and sexual orientation. The integration of mobile apps facilitates political messaging for canvassing, for event management, for donating, and for civic engagement. Personal data on the electorate is increasingly delegated or decentralized to a multitude of campaign workers.

In North America, there is a massive accumulation and consolidation of personal data on political affiliation in integrated Voter Relationship Management (VRM) Platforms. We are seeing close alliances between political data brokers, digital advertising firms, data management and analytical companies and political parties. Research on the effectiveness of microtargeting suggests that it can make small but critical differences in marginal constituencies/districts. There remains, however, some skepticism concerning microtargeting methods: for example, research has shown that up-to-date response data gathered directly from voters is more important than commercial data (i.e., “icing on the cake”). The application of what we know about

microtargeting in U.S. campaigns to the Canadian electorate suggests a need to submit our political parties to privacy legislation, to impose greater rules for transparency with online ads, to align Canadian privacy legislation with new global standards for personal data collection. All of this shows a need to strengthen the powers of the Privacy Commissioner of Canada.