

## **Legal Implementation of the Social Pillar of Sustainable Development in the Consumer Credit Market**

The pursuit towards sustainable development is a global priority, as evidenced by the body of work of the United Nations, including the resolution Agenda 2030. In 2015, all UN member states committed to implementing the goals set out in the Agenda 2030 - the Sustainable Development Goals ("SDGs"). The need to pursue sustainable development results not only from international obligations but it is also expressly established in the EU law and Polish law. The challenge in pursuing sustainable development is that the goals of such development are formulated at a high level of generality (e.g. Goal 3 - ensuring social well-being). The role of the legislator should therefore be to translate the aspirations and values expressed in the SDGs into legal regulations whose enforcement is to ensure the implementation of these Goals.

Sustainable development has three equal pillars - environmental, social and economic. The goal of sustainable development is to protect the climate condition, ensure the well-being of society and sustainable economic growth. However, the social dimension of sustainable development is often overlooked. The project is innovative because it places particular emphasis on the social pillar of sustainable development, analyzing how it should be implemented through consumer law instruments. The use of consumer law instruments in pursuit of sustainable development is particularly important in the consumer credit market. Consumer credit is a vital element of the EU economy (economic aspect), which enables society to meet its needs (social aspect) and directly affects the level of consumption (environmental aspect). However, lending generates not only opportunities, but also involves certain risks which can lead to consumers' over-indebtedness, poverty, inequality and social exclusion. In turn they constitute an obstacle to the pursuit of sustainable development.

In the project strong emphasis is being put on collective values and on the negative socioeconomic impacts of present-day capitalism. The desire to maximize the benefits of owning an enterprise still determines the meaning of its existence and it has taken the form of a structural imperative of growth. This approach is increasingly criticized as promoting activities harmful to society and the natural environment. Negative consequences of striving for economic growth may be borne by consumers in the financial market when the financial product is designed to bring the highest possible profit to the financial institution and not to meet consumer needs. The obligation to strive for sustainable development is contrary to the desire to maximize profit by entrepreneurs granting consumer credits and basing their business model on sales with deferred payment. **The project will examine how legal instruments should alleviate contradictions between the common good (i.e. the pursuit of sustainable development) and the economic interests of entrepreneurs.**

**The research goal of the project will be to express the catalog of legal instruments that should be used to implement sustainable development in the consumer credit market.** The research results will indicate:

1. sources of sustainable development in the consumer credit market;
2. public authorities having competence to implement sustainable development in the consumer credit market and the scope of these competences;
3. entities operating in the consumer credit market (creditors, credit intermediaries) with an obligation to implement sustainable development and the scope of these obligations.

The research will refer to the Polish consumer credit market, but to a certain extent it will be adequate for the entire European Union since a large part of the analyzed regulations will constitute acts of EU law. First task will be to characterize the elements of the concept of sustainable development (especially of its social pillar). The elements of the social pillar of sustainable development in the consumer credit market will be universal because they will be determined based on acts of international law. The project combines private and public law issues and it will be identified which public and private law entities have competences or obligations to implement the sustainable development in the consumer credit market. The task will be limited to analysis of the EU law and Polish law. To provide reliable data the project will include the analysis of the legal solutions used in the Netherlands and in the United States. One of the lowest levels of consumers' over-indebtedness in the European Union is in the Netherlands, therefore the aim of the research will be to analyze consumer law provisions and the activity of Dutch consumer protection authorities in the field of counteracting over-indebtedness. An important element of the research will be the analysis of legal solutions in the field of counteracting consumers' discrimination in the United States (California). Preliminary research shows that California has the best developed legal tools to counteract consumer discrimination in the financial market.