

## **PRIVATE VOLUNTARY STANDARDIZATION IN EUROPE**

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Private voluntary standardization was developed in Europe over the last 100 years. The system mainly developed from the need of private enterprise to increase efficiency. The ongoing development of international markets created a need for international communication about and harmonization of national standards. So after the emerging of National Standards Bodies in the 1920s, European Standards Organizations emerged: CEN in 1961, CENELEC in 1973, and ETSI in 1988. Using voluntary standards as reference documents in legislation exists already for a considerable time (e.g. national building codes), however the relationship between legislation and standardization became more prominent after the introduction of the New Approach by the European Commission in the eighties. Standards are still voluntary, but economic players get the presumption of compliance with the law (based on European directives) if products and services are in line with the European standards to which the directive refers.

These new harmonized standards aim to support achieving a range of public policy goals like health and safety at the workplace, safety of toys, and energy efficiency. The most obvious stakeholders needed around the table – in addition to industry - are environmental interest groupings, consumers, trade unions and market surveillance agencies.

### **European standardization, its importance**

Every year, some 1,500 European standards are adopted by the European Standards Organizations. The European Standards Organizations consist of the European Committee for Electrotechnical Standardization CENELEC; the European Telecommunications Standard Institute ETSI, and the European Committee for Standardization CEN (covering all other fields). Although the model of CEN and CENELEC is different from the ETSI model, in both models, National Standards Organizations in all Member States of EU and EFTA play an important role in the development of EN harmonized European standards.

### **The European standardization system**

Standardization is really very old, but the system of standards organizations caring for private voluntary standardization was developed in Europe over the last 100 years. The system mainly developed from the need of private enterprise to increase efficiency.

The ongoing development of international markets created a need for international communication and harmonization of national standards. So after the emerging of National Standards Bodies in the 1920s, European Standards Organizations emerged: CEN in 1961, CENELEC in 1973, and ETSI in 1988. This facilitated the process of developing standards (organizing the process); archiving the stock of existing standards that grew enormously in those 100 years, and distributing the normative documents for onwards use and reference. Using voluntary standards as reference documents in legislation exists already for a considerable time (e.g. national building codes), however the relationship between legislation and standardization became more prominent after the introduction of the New Approach by the European Commission in the eighties. Standards are still voluntary, but economic players get the presumption of compliance with the law (based on European directives) if products and services are in line with the European standards to which the directive refers. This implies that in practical terms these harmonized standards are almost obligatory for most economic players. The facts that harmonized European standards have an important role to play in European legislation warrants an additional concern of the European Institutions as democratic legitimacy and free access become even more important. These new harmonized standards aim to support achieving a

range of public policy goals like health and safety at the workplace, safety of toys, or energy efficiency.

The most obvious stakeholders needed around the table – in addition to industry - are environmental interest groupings, consumers, trade unions and market surveillance agencies.

The major part of standardization work covering a wide range of topics is done within the organizational structures of the three formally recognized European Standards Organizations. They also consist of a range of standardization activities outside this domain for example private consortia in the ICT business, however this report focuses on formal European standardization.

1. Large enterprises;
2. Small and medium-sized enterprises (SME);
3. Employers federations and trade associations;
4. Consumer associations;
5. Trade unions;
6. Environmental organizations (private NGO);
7. Public authorities;
8. Universities and research organizations.

### **European standardization, its importance**

Every year, some 1500 European standards are adopted by the European Standards Organizations. The European Standards Organization (ESO) consists of the European Committee for Electrotechnical Standardization CENELEC, the European Telecommunications Standard Institute ETSI, and the European Committee for Standardization CEN (covering all other fields). Standards - as voluntary norms of the business community itself - play an important role in national economies within Europe as well as in the European economy and global economy as a whole.

A report by the German Institute for Standardization (DIN) noted the following economic benefits:

1. Standards contribute more to economic growth than patents and licenses;
2. Transaction costs are lower when standards are used;
3. Companies that participate actively in standards work have a head start on their competitors in adapting to market demands and new technologies;
4. Research risks and development costs can be reduced for companies contributing to the standardization process.

### **The European standardization process**

The European standardization is a coherent system based on the principle of national delegation. CEN and CENELEC are membership organizations with National Standards Bodies as their members. ETSI is not based on national membership, but is also officially recognized by the European Commission as a European Standards Organization and is - in developing European standards - assisted by National Standards Organizations (NSO). For the elaboration of a European standard, a European technical committee in CEN or CENELEC is set up under the responsibility of one of its members. The members of CEN and CENELEC are the respective National Standards Bodies. National so-called 'mirror committees' are established by National Standards Bodies where all interested national parties (enterprises, consumers, public authorities, NGOs) can participate. They develop a national position for the drafting and voting of a European standard which is then presented at the European technical.

### **The internet survey among national standards organizations**

All the information is provided by 'the response' as characterized in table and perceptions were contributed by staff members of standards organizations in 26 countries in Europe.

Response internet survey among standards organizations:

	Invited	Completed	Percentage
Number of countries	30	25	86
Number of organisations	52	34	65
Number of experts / groups of experts	128	47	37

Most respondents state that their standards organisation pays special attention to promote access to standardisation for the different types of stakeholders distinguished. For public authorities this is as high as 42 of the 47 respondents or 90%. Table shows that even for the category with the lowest score, trade unions, still 57% pay special attention to access issues.

Number and percentage of respondents that pay special attention to promoting access to standardization, by specific groups of stakeholders (n= 47)

	No	Percentage
Public authorities, government departments and government agencies	42	89%
Consumer associations	41	87%
SMEs, i.e. enterprises employing up to 250 workers	41	87%
Universities and research institutes	40	85%
Employers' federations; trade associations	37	79%
Large enterprises, i.e. enterprises with more than 250 workers	34	72%
Environmental organisations	28	60%
Trade unions	27	57%

### Dissemination of information

AENOR (Spain) is very active with informing stakeholders about developments in standardization. During the time of interview, only 2006 data were available: 75 different publications were made available that year. In addition CD's are distributed and information made available at the website. In Poland the understanding by several respondents (both from the educational sector and the business community) is that the National Standards Organization in Poland rarely informs organizations directly on standardization. Information has to be collected through conferences, specialized publications and the internet. So, improving distribution of information (on process, business models, participating teams etc) is seen as a priority, especially sector bulletins to inform stakeholders on new developments in standardization and standards would be welcome. Still, PKN seems to be relatively active. PKN has its publication PKN News and other ways of spreading information free of charge, but it seems this does not reach all stakeholders sufficiently. PKN operates three standards-reading-rooms (in Warsaw, Katowice, Lodz) and 15 standardization information points across Poland (at libraries, universities, institute of welding, etc.).

### **Fees and other costs**

In Denmark, large participants like the Danish Safety Technology Authority may spend about € 1 million a year on standardization. This sum is based on a negotiated deal with the NSB. However other types of participants such as consumers and universities pay lower or even a zero rate like the Danish Consumer Council. Experience shows that many stakeholders are even shocked by the idea that they have to pay in order to participate in standardization. Some stakeholders report that there has been a cut in resources being made available from the public budget and hence the costs for stakeholders to participate have been increasing. Whatever the position on the fees, parties seem to agree that the hours spent amount to the largest share of annual cost to participate in standardization.

There seems to be a tradition in Denmark that trade associations reimburse the fee if individual member enterprises are participating in a technical committee. Another example of a stakeholder wondering why its members would have to pay to participate in standardization is the Dutch VNI: "They contribute their knowledge and time and moreover have to bring money!" If you ask BSI in the UK (like other NSB) about membership fees they talk about the different fee rates to be paid depending on "...the size of the company in terms of employees and turnover". This still very much reflects the situation of a private enterprise driven standardization and less the situation of the last twenty years of harmonized standards that are being developed to support government policy to bring about public goals such as public safety of sustainable production.

In social sciences, including economics, the idea of standardization is close to the solution for a coordination problem, a situation in which all parties can realize mutual gains, but only by making mutually consistent decisions. Standardization is defined as best technical application consensual wisdom inclusive of processes for selection in making appropriate choices for ratification coupled with consistent decisions for maintaining obtained standards. This view includes the case of "spontaneous standardization processes", to produce de facto standards.

Standardization is implemented greatly when companies release new products or software to market. Compatibility is important for products to be successful; many devices coming out have USB, Ethernet, or other standard types of connection. This allows consumers to use their new items along with what they already own.

By using standardization, groups can easily communicate through the set guidelines, in order to maintain focus. The method is made to facilitate processes and tasks; this is why it interlocks with lean manufacturing.

In the context of business information exchanges, standardization refers to the process of developing data exchange standards for specific business processes using specific syntaxes. These standards are usually developed in voluntary consensus standards bodies such as the United Nations Center for Trade Facilitation and Electronic Business (UN/CEFACT), the World Wide Web Consortium W3C, the Telecommunications Industry Association (TIA), and the Organization for the Advancement of Structured Information Standards (OASIS).

In the context of customer service, standardization refers to the process of developing an international standard that enables organizations to focus their attention on delivering excellence in customer service, whilst at the same time providing recognition of success through a third party organization, such as British Standards Institution (BSI). The International Customer Service Standard (TICSS) has been developed by The International Customer Service Institute (TICSI) with the objective of making it the cornerstone global standard of customer service. This standard has the status of an independent standard, managed by The International Customer Service Institute.