European standards for the 21st century

EPC Single Market Roundtable

7 September 2016

Standards are a keystone for trade in the Single Market for goods. But standards also contribute to consumer confidence and protection. Unfortunately, there is no study to quantify the societal benefits of standardisation, although there are several on the economic benefits. ANEC hopes Action 1 of the Joint Initiative on Standardisation will lead to a more eclectic piece of work.

Of course, if European standards are to reflect consumer needs, their development process needs to reflect consumer interests. But the technical expertise needed for standardisation work is scarce in the consumer movement in almost all countries. And that is critical when the European process is built to a greater or lesser extent on national positions. A core value of Regulation 1025/2012 - the Standardisation Regulation – is its requirement for inclusiveness, and we welcome the political and financial aid the Regulation gives to ANEC as the collective voice of consumers in the European Standardisation System. We should not forget the Regulation gives a similar support to the European representatives of the environmental interest and the interests of workers (and, for other reasons, to those representing SMEs).

This inclusiveness not only allows the regulator to have surety in using European standards to support implementation of legislation, but those products conforming to European standards should have advantage in the global market. For example, electrical domestic appliances – literally millions of products – are safer and more accessible when made to European standards, thanks to the efforts of ANEC and European manufacturers.

Yes, of course, this inclusiveness has a price. The Commission provides some 4M€ of funding annually to the four Annex III Organisations under Regulation 1025. But it legitimises a European Standardisation System worth up to 100B€. Value for money in anyone's currency.

Raising standards for consumers

So if standards are indeed a tool for consumer protection in Europe, how can they help meet the challenges consumers face in the 21st century?

Let's start by looking at the more 'mature' product standards. Even today, the truth is that many focus on the mainstream consumer, where costs are lowest and profits highest for the industry. A standard fit for the 21st century needs to be a standard that protects all consumers, taking into account their vulnerabilities. Just as with the European standards for electrical appliances. We want standards to be effective in addressing the demographic challenge of Ageing Europe.

Another challenge is globalisation. Although the push for international standards is understandable from the business perspective, we do not want to see the levels of protection we have achieved in Europe diluted by international standardisation or as part of a regulatory deal. A balance has to be found between the need to respect the present European legal requirements and participation of Europe business in global markets. We need to be sure international standards are right for Europe.

A further problem is market surveillance & enforcement. Non-compliant products are often not only unsafe but discriminate against those economic operators who do follow the rules. It cannot be right that European systems of product legislation & standardisation are enforced by a fragmented model of national market surveillance, one woefully under-resourced. The proposed Market Surveillance Regulation was not perfect but a step in the right direction. We believe the updating of the Single Market should provide the chance to free the impasse in Council but it seems the opportunity is going to be ignored.

We welcome the aim to use European standards for services to consumers in order to build consumer trust. But the lack of an overarching European legal framework for the quality, safety & liability of services is critical. Without such a harmonising framework, European standards will not be able to provide a level-playing field as national regulations will continue to take precedence, leading to legal uncertainty as well as producer and consumer detriment. It also came as a huge disappointment to us when the Commission concluded that its Green Paper consultation on the safety of tourism accommodation showed no enthusiasm for further European measures.

More and more service provision is cross-border, with most consumers believing the rules on safety are the same across the EU. Unfortunately, that is not true, and many service providers do not take the needs and expectations of consumers and users into account.

Finally, does it still make sense to speak of ICT standards? Didn't someone say of late that there is now no "digital economy", only "the economy"?

The convergence of technologies blurs the line between traditional standardisation and ICT standardisation. But there are still different legal & policy instruments and different Commission strategies. Surely these silos need to be demolished, in order to ensure maximum benefit to European business and European consumers.

As a last word, it is understandable – but regrettable – that the Single Market Strategy and Digital Market Strategy both focus on the business need, as without confident consumers, the Single Market in all its dimensions - including standardisation - will not be fit for the 21st century.

Stephen RUSSELL

7 September 2016

ANEC-SG-2016-G-006r2