# bitkom

# European Standardisation Strategy

Extended opinion

## At a glance

# European Standardisation Strategy

## Starting point

About a year ago, the European Commission presented the European Standardization Strategy. The aim is to strengthen the EU's global competitiveness, to enable the transition to a green and digital economy, and to anchor democratic values in technology applications.

## Bitkom evaluation

Standards are becoming an issue of global scope. Other regions are increasing their global influence by taking a more strategic and decisive role. The European standardization system needs evolving to respond to these challenges. However, this must not lead to politicization of standards. The aim must be to create strategic value for companies through standardization.

## Most important

- **Standards should be supportive, but not completely dictate specifications**

  Norms and standards often define a certain state of the art. A necessary balance is required here to ensure that innovations are not restricted too early by such standards. Unfortunately, innovation and key technologies are currently often standardized prematurely. Bitkom is convinced that standards and norms are tools for opening up new markets, but it is equally important to have confidence in the innovative strength of companies.

- **Fair and open access to standardization required**

  The focus of the European Standardization Strategy is to strengthen the strategic value of standardization. The current support for European-only industry and European value models must not result in a loss of global competitiveness and should not have negative consequences for European industry in other regions of the world.

- **We need more industry experts in the standardization process**

  Industry must be supported in its active participation in standardization work. Sufficient resources must be available to enable experts to be seconded to European and international standardization bodies.

## Strategic importance of standardisation

Norms and standards provide market participants with the opportunity to gain competitive advantages early. They represent an important basis for reaching consensus and offer the possibility of exercising influence, participation and joint responsibility in creating innovationfriendly framework conditions. Thus, standardisation is an essential component for international and European trade and contributes fundamentally to opening the market.

Simultaneously, standardisation has a central role in fulfilling legislative requirements in technical regulation. For decades, the approach set out in the New Approach and the New Legislative Framework (NLF) proved its worth: legislative requirements are defined as "Essential Requirements" in the law; the technical specification is carried out by industry in standardisation and is made available to all market participants on a voluntary basis in the form of European standards and harmonised European standards. What has proven successful in the context of NLF legislation is now being pursued with the same principles for new fields of technical regulation. Examples can be found in the area of accessibility as well as for the regulation on artificial intelligence (AI Act), data services (Data Act), cyber security (Cyber Resilience Act) and in the Ecodesign and Sustainable Product Regulation. The latter is currently in the law-making process. Standards are the key element to achieve compliance with the essential requirements in the corresponding conformity assessment procedures. They demonstrate how new products and technologies can be made available on the common market of the EU under the assumption of conformity. The impetus for the development of harmonised European standards is given by the EU Commission through a standardisation mandate to one or more of the European standardisation organisations CEN, CENELEC and ETSI, as foreseen in Regulation 1025/2012.

In Germany as well as in Europe standardisation is basically carried out as a self-administered duty of the economy. However, geopolitical developments demonstrate that the strategic importance of standardisation is increasingly being recognised and, in certain circumstances, instrumentalised. Additionally, the developments show that standards are being shaped by political motivation. China, for example, uses the international standardisation rules and is steadily expanding its influence in international standardisation organisations (cf. the Bitkom position paper "China's standardisation policy"). It becomes apparent that those who want to help shape the transition to a digital and sustainable economy with their values and technologies must take on a global pioneering role.

To strengthen this global pioneering role for Europe, the European Commission published the European Standardisation Strategy in February 2022. This signalled that Europe, among others, wants to use standardisation as an economic policy and regulatory instrument more consciously in the future. Expectations on behalf of the industry were accordingly high. We at Bitkom also consider the publication of the strategy to be an important step towards achieving this goal and welcome many of the proposed measures (cf. the Bitkom position paper "EU standardisation strategy").

The focus of the European standardization strategy is to enhance the strategic value of standardization. However, Bitkom observes an increasing politicization of

**Standards are the central element for assessing conformity**

standardization even at European level. Standardization should not be misused as a political tool, but should rather create a strategic value for companies. The current promotion of exclusively European industry and European values must not harm global competitiveness and should not have negative consequences for the European industry in other regions of the world. Bitkom believes that the current geopolitical situation requires a fair and open access to standardization: those who want to shape global standards must be globally compatible and should not exclude international players. At the same time, European experts must also be involved in international standardization activities, for example in China. Exclusion of non-EU companies will lead to lack of transparency and mistrust. Furthermore, there is a concern that important standardization experts will be excluded or will withdraw from the standardization work. This would inevitably impact the expert knowledge brought into standardization committees negatively.

Bitkom is aware that geopolitical attentiveness is required, and that openness should not be naively evaluated. Technical standardisation is non-political; it develops ways for the technical implementation of legal requirements. Therefore, all norms and standards must follow and conform to the law. Nevertheless, it cannot be excluded that proposed rules may conflict with fundamental values. In addition, the European standardisation organisations also develop many standards that enforce the advantages of European solutions in the world independently of legal requirements. Bitkom is therefore in favour of efforts to analyse the standardisation processes and, if necessary, to expand them with appropriate checks and balances that minimise risks. Harmonised European standards are developed based on standardisation mandates issued by the European Commission. Generally, the existing openness of the standardisation processes and the peer review and consensus principle that take place already represent a central control function. The broader a body is set up and on the more it considers technical proposals, the less rules are drawn up that contradict central values. Furthermore, European standards are not only evaluated in the respective body, but also go through a process of several months of public draft comments at all national standards organisations. Finally, control also takes place at the political level, both by the Consultants for Harmonised Standards (HAS Consultants) and by the EU Commission itself- This happens the latest before a standard is listed in the Official Journal of the EU (OJEU), i.e., before it is given presumption of conformity. Bitkom supports that further possible measures are being considered to introduce checks and balances. These should include awareness-raising measures, such as drawing attention to values and possible conflicts that can arise from technical requirements. In addition, ways to raise and, if necessary, escalate concerns should be explored and further developed.

The European Standardisation Strategy also states that more experts are needed in standardisation. We agree and would like to go one step further by saying: More industry experts are needed. It is important to support industry in actively participating in standardisation work and to ensure that sufficient resources are available to send experts to European- and international standardisation bodies. Furthermore, the experts need sufficient support. This can be provided by the standards organisations, among others. Examples of such support are the preparation of meetings and corresponding tasks as they arise in the various process stages within the framework of standardisation work. Support might be especially important during

## Fair and open access to standardisation required

## Active stakeholders are excluded from the standardisation process

the commenting phases. This is the only way to staff international secretariats, and exploit the strategic value of standardisation for European companies. For us, it is also important to prevent non-industry representatives, such as consultancies, from taking on more standardisation tasks in the future. The reason is that this would considerably reduce the value of the standards. Likewise, the obligations of consultants must be clear and open.

In this context, we are particularly critical of the fact that the European Commission does not limit its actions to Article 10 of the Standardisation Regulation 1025/2012, as announced. Instead, it intervenes in day-to-day business and actively excludes important stakeholders in the process. The same applies to participation in technical advisory bodies. We are in favour of excluding representatives of organisations and associations from these regulations; they are already subject to clear rules and obligations in their role and are not allowed to represent the opinion of their own company, regardless of whether it is a company with its corporate headquarters in the EU or outside the EU.

The central tasks for strategic strengthening of standardisation are, in our view, an overarching exchange of information and the coordination of standardisation activities. Bitkom therefore underlines the importance of the European Multi-Stakeholder Platform on ICT Standardisation (MSP). The MSP is a unique group of experts in the world because it unites all important stakeholders in the field of ICT standardisation as well as the EU and EFTA countries and enables qualified policy advice. The MSP also unites the representatives of the Member States with the global organisations. Furthermore, European influence on the global standardisation organisations is given via the MSP. That enables the introduction of political goals and corresponding requirements. Bitkom therefore supports the decision taken in the MSP in October 2022 that the MSP should continue to exist and cooperate as an expert group with the "High-Level Forum on European Standardisation" founded in January 2023. In the face of the great challenges of digitalisation at all levels, it would be detrimental to Europe - and hardly communicable - if the MSP were to be abolished. The High-Level Forum by itself will not be able to cover the breadth of the ICT sector or provide the technical depth of discussion and exchange. Both the European Commission and the High-Level Forum need the expertise from the ICT sector that is gathered in the MSP.

## Standardisation and innovation

Norms and standards are often seen as driving forces of innovation. Indeed, norms and standards have an important role, for example by making new technologies into global standards. This can be seen in the field of telecommunications through new technology generations of mobile phone standards brought to market. Another example is the enabling of open infrastructures based on which innovations are triggered. However, norms and standards often also prescribe a certain state of the art. The necessary balance is required in order to prevent an early restriction of innovations by stipulations. Unfortunately, premature standardisation for innovations and key technologies is currently often implemented. Bitkom is convinced that standards and norms are tools to open new markets. However, it is equally important to have confidence in the innovative power of companies. Standards should have a supportive

We must have confidence in the innovative strength of companies

character, but not completely dictate specifications. We therefore advocate to strictly consider the needs of the market when identifying potential for standardisation. Otherwise, standards may have an inhibiting effect on innovation.

We are committed towards engaging in dialogue with industry experts to jointly identify where norms and standards are needed and where they may negatively impact innovation processes or the competitive advantages of respective companies.

## Regulation of new technologies

Bitkom supports the draft regulations presented by the European Commission for the areas of AI, data, cybersecurity and sustainability. Bitkom recognises opportunities to support important areas of digitalisation and to implement a common basis that promotes trust in technologies. Bitkom particularily welcomes the European Commission's decision to align the aforementioned legal frameworks with the processes of the NLF and to refer to standards for conformity. Bitkom encourages the legislative chambers at European level to follow the European Commission's drafts. Furthermore, legal requirements should be limited to areas and requirements that need regulation. In doing so, the risk-based instruments of the NLF should be exhausted and a legislative regime geared to the application of the technology should be pursued. The same technology may have different effects in different applications. This should be taken into account in the protection goals.As a result, particularly high requirements should only be implemented where it is necessary to protect safety. This way, legislation will meet the NLF's intended balance of responsibility and trust on all sides; producer and consumer.

> Legal requirements should be limited to areas and requirements that need regulation

## Inclusiveness - broad stakeholder participation and leading role of the business community

The central actor in standardisation is - and must continue to be - the commercial enterprises. Only the know-how of enterprises can lead to a successful elaboration and prioritisation of standardisation topics and thus ensure the strategic value of standardisation. If industry has its own interest in standardisation, it will invest the necessary resources in standardisation work.

Moreover, stakeholder groups (SMEs in particular) are especially important in the objective of standards.   We would like to emphasise the full support for SMEs and recognise the need to make standardisation work as easy as possible for them. However, from our point of view, it must be considered that most SMEs rarely participate in the standardisation process. Instead, they often rely on using existing standards and thus gain easier market access or interoperability, which provide them with market opportunities. This must be considered in the public discussions. As a result, the interests of the various stakeholders must be examined in detail in order to subsequently formulate corresponding strategic goals that optimally focus on the needs and potential of all groups participating in standardisation.

> Inclusiveness needs government incentives

Inclusivity, like the goal of broad participation by industry, needs specific support and government incentives. Consequently, Bitkom suggests that political institutions

provide targeted support for desired standardisation projects. This can be done through funds and support at the level of industrial policy.

## Important role of global standardization

Due to the market opening effect of norms and standards, it is economically important to advance common global norms and standards to access large markets. Accordingly, standards must be discussed on a global scope.

Bitkom therefore promotes fair, openly accessible and balanced participation in global standardisation. German companies, for example, must be given access to Chinese national standardisation in order to be able to collaborate on Chinese norms and standards. The goal of equal participation must be further pursued and politically supported. Similarly, Europe should not exclude companies whose ultimate headquarters are outside the EU. Instead, Europe should continue to enable these companies' participation in standardisation. This approach has proven its worth over decades; not only for the European market but for international market access and the competitiveness of European industry. Bitkom supports a clear legal situation, demanding that a company established in the EU must unconditionally follow EU law and is committed to local values. We take a critical view of efforts to exclude companies. There is a risk of provoking corresponding counter-reactions and running counter to a mutual opening. The promotion of European standardisation must not lead to the exclusion of global stakeholders, as this would have a counterproductive effect on the European economy.

The recognition of European standards might be jeopardised by such an exclusion. This would hinder the economy as a whole (but especially globally active companies). Therefore, it is important to advocate international companies and corresponding standardisation experts that are interested in collaborating on the creation of European standards. Moreover, European experts can promote understanding for the respective standardisation projects in their global companies and promote the corresponding consensus-building process globally. For these reasons, we advocate an equal treatment principle for EU and non-EU companies that are like-minded.

In this context, the European Standardisation Strategy supports efforts to enter global alliances with partners who share the same values. Unfortunately, experience shows a different picture: the change in the rule for participation in advisory bodies is currently alienating experts. This is the case even if they are EU citizens and their companies invest heavily in the EU. Examples include representatives of ETSI and DigitalEurope from other Western countries. In our view, this approach also contradicts the US-EU Trade and Technology Council (TTC). We strongly advocate finding a common option to ensure active cooperation of trusting international like-minded partners.

## Visible & invisible role of Europe

Overall, standardisation must be viewed globally as well as at European level. Economic and value-based political influence, including that of other countries, on international standardisation must be kept in mind. This way, Europe's interests are sufficiently considered on a global scale and confidence in new technologies is

> There is a need to advance common global norms and standards to achieve access to large markets

> Interest of international companies in standardisation must be strengthened

reinforced. To this end, it is necessary to strengthen both the visible and the invisible roles of Europeans and to create a culture of openness and transparency.

In order to support the role of European companies in global standardisation, their participation has to be actively promoted, especially in global standardisation bodies. Standardisation experts must be supported in representing national and European interests in international standardisation, e. g. by qualifying standardisation-related costs in companies as eligible research and development costs. Leadership positions and participation in international standardisation should be supported, e. g. through financial support in areas identified as strategically important.

In order to raise awareness of the importance of standardisation among tomorrows managers at an early stage, the topic must be highlighted in the areas of education and research policy. However, from Bitkom's point of view, a separate course of study with a focus on standardisation is not needed. Rather, modules on the topic should be offered in STEM and business degree programmes. Here, the focus should also be on the importance of norms and standards for business models. Industry can and must also make its contribution: especially young employees should be supported and sent to standardisation committees if there is corresponding interest. To this end, we welcome the recruitment of young people envisaged in the European Standardisation Strategy.

Standardization must receive more attention in education and research policy

Bitkom represents more than 2,000 member companies from the digital economy. They generate annual sales of 190 billion euros with IT and telecommunications services alone, including exports of 50 billion euros. Bitkom members employ more than 2 million people in Germany. Members include more than 1,000 SMEs, over 500 startups and almost all global players. They offer software, IT services, telecommunications or Internet services, manufacture devices and components, are active in the field of digital media or are otherwise part of the digital economy. 80 percent of the companies are headquartered in Germany, 8 percent each come from Europe and the USA, and 4 percent from other regions. Bitkom promotes and drives the digital transformation of the German economy and advocates broad social participation in digital developments. The aim is to make Germany a leading global digital location.

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