

# NORMAPME and PIN-SME views on the European ICT standardisation policy

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## Introduction

NORMAPME<sup>1</sup> and PIN-SME<sup>2</sup> would like praise the European Commission for involving all relevant stakeholders in the current decision making process about the future on ICT standardisation in Europe. Moreover, we would like to thank the Commission for welcoming the participation of PIN-SME in the Steering Committee on ICT standardisation.

ICT small and medium-sized enterprises recognise the benefits of standards as a harmonisation tool that guarantees a level playing field to all economic operators.

Particularly ICT standards would enable SMEs to:

- Rely on interoperability of products and services;
- Access new sectors and markets;
- Develop cross-border initiatives;
- Acquire technical know-how about new products and services contained in standards.

Moreover, the development of ICT standards would potentially:

- Enlarge the economies of scale of multinational providers of ICT product and services and therefore lower their price for SMEs;
- Facilitate networking and the exchange of best-practises among companies.

However, we would like to point out that the standardisation system is still affected by several shortcomings that potentially endanger SMEs:

- Insufficient SME participation in standardisation committees;
- Overrepresentation of specific stakeholders' categories: big industry, consultants and certifiers;
- Conflict of interest between certification and standardisation in some NSBs;
- Too high costs of compliance for SMEs;
- Standards often too complex for small enterprises.

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<sup>1</sup> NORMAPME : the European Office of Crafts, Trades and SMEs for Standardisation

<sup>2</sup> About PIN-SME

PIN-SME, the PanEuropean ICT and eBusiness Network for SMEs, is the first European association of the ICT sector exclusively focused on representing the interests of SME. PIN-SME Founding Members are seven national sectorial SME federations from different EU countries and one ICT SME network from Germany. PIN-SME represents more than **50.000 small and medium sized enterprises**, which employ around 200.000 people across Europe.

## PIN-SME members

BASSCOM - Bulgarian Association of Software Companies (BULGARIA), CNA -Comunicazione e Terziario Avanzato, Confederazione Nazionale dell'Artigianato e della Piccola e Media impresa (ITALY), ESTIC - Asociación Empresarial del Sector TIC, BestPractice-IT - G+F Verlags und Beratungsgesellschaft mbH (GERMANY), GPNI - Groupement Professionnel National de l'Informatique (FRANCE), it-forum midtjylland (DENMARK), UBIT Unternehmensberatung & IT (AUSTRIA), UKita, United Kingdom IT Association (UNITED KINGDOM)

## The EU study on ICT standardisation

We believe that the EU study on ICT standardisation has validly contributed to the current debate. In particular, the following issues mentioned in the study's executive summary are of crucial importance and should be taken into further consideration (emphasis added):

- *ICT Users – Although consumers and SMEs are formally represented in the EU standardisation process, it is felt that because of the huge impact of ICT on the user (consumer/SME), the representation of these stakeholders is currently not sufficient.*
- *ICT producers – SMEs, although ICT producers, are not well represented in the ICT standardisation process, in spite of the fact that the EU market centres on SMEs. SMEs should be encouraged to engage in standardisation activities. Also here, the level of involvement should be balanced against the producer needs of the SME's-within a standardisation context. When defining standards the size of SMEs should be taken into account. For example, defining sub-systems that can be built by smaller actors and not just the larger players. General access to standards should be facilitated by taking the specific needs of SMEs into account.*

In this respect the study indicates that the shortcomings in SME participation exist both at national and at European level. The study praises the efforts of organisations like NORMAPME and ANEC in representing “minority” stakeholders at European level, while it points out that “the balanced representation at national level is a fiction”.

- *Transparency – The current EU ICT standardisation landscape is blurred and lacks clearly defined and mapped out borders. Feedback from the participant' survey and discussions between the relevant players indicates that a lot of confusion relating to the standardisation processes, procedures and deliverables exists.*

## The Way Forward: Discussion document for the Open meeting on 12 February 2008

We would like to welcome the Commission's proposal for the creation of a **high level platform** where stakeholders and national authorities would coordinate the ICT standardisation work and discuss its needs, strategies and future objectives. We take this opportunity to express the wish of NORMAPME and PIN-SME to contribute to the future work of this group and bring the views of the small and medium sized businesses.

### **WTO criteria for international standardisation organisations:**

NORMAPME and PIN-SME agree that the European ICT standardisation policy should be elaborated on the basis of the list of “attributes for eligibility of European ICT standards” derived from the WTO requirements for standardisation. Among others openness, consensus and balance are meant to guarantee the democracy of the process.

In this respect, we would like to stress that standardisation should be the result of the participation of all relevant stakeholders, and SMEs should be regarded as a very important category. The role of SMEs in the European economy is central; they contribute to more than half of the European GDP and provide two thirds of jobs in Europe.

Therefore, prior to any decision about using standardisation as a policy tool for the ICT sector, it should be agreed that openness, consensus and balance (thus democracy) will not be effective without the participation of SMEs as well as of the other relevant stakeholders.

### **Integration of consortia and fora in the EU standardisation system:**

As already mentioned, we believe that the standardisation process should always strive to be as democratic as possible. We understand that Europe needs standards to grow, companies require standards to be competitive, and that markets move fast and standardisation should keep the pace. We know that non-formal standard setting organisations currently are an important source of know-how and technical expertise for ICT standards. These organisations are market driven and they can respond quickly to market demands.

However, we are still convinced that in the mid to long term Europe should seek a sustainable development and that ICT standard should be the result of a real consensus among stakeholders. For these reasons, as regards the discussion upon integration of consortia and fora within the EU standardisation system, PIN-SME favours the scenario “number 2” that foresees combination of technical standardisation work of fora and consortia with ESO responsibility for the public enquiry, ratification and publication processes.

### **ICT standardisation in public procurement:**

The study recommends reminding public authorities of the need to refer to European standards in public procurement. NORMAPME and PIN-SME agree that this will foster the use of ICT standards and thus benefit economic operators.

However, we would like to point out that statistics<sup>3</sup> indicate that more than 90% of European SMEs exclusively operate on a regional level and only a minority is active at international level. We believe that the use of standards in public procurement should be considered as an option by public authorities and always be assessed against its benefits/risks for local SMEs.

It is certainly true that large multinationals favour a widespread use of standards in public procurement because this allows them to adopt unique and global solutions. However, particular attention should be given to the SMEs that would certainly not benefit from economies of scale and risk to be subject to new additional burdens.

In light of the above we urge the Commission and national authorities to ensure that standards are referenced in public procurement only if it is proven that they take into account the specific needs and reality of SMEs.

Since many years NORMAPME has denounced that the standardisation system, both European and international, is affected by several shortcomings that disfavour SMEs. However, we consider that the European standardisation system is generally a more favourable environment for SMEs for the following reasons:

- The European standardisation system foresees stricter rules and more respect for minority stakeholders like SMEs than the international one;
- The role of SMEs is traditionally well recognized in Europe and consequently SME representative organizations are better established and more heard at EU and national level rather than globally;
- The support of the EC for SME representative organizations like NORMAPME guarantees a better recognition of SMEs in ESO rather than international standards setting organisations;
- Due to expensive travel costs European SMEs and SME representative organizations can not often afford to directly participate in international standardisation committees;

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<sup>3</sup> 2007 Observatory of European SMEs

- Due to their global operations, multinational enterprises can intervene in the standards setting from several national perspectives. This happens more effectively at international level than at the European one;
- In the majority of developing countries, SME organizations are not well established and influential as they are in many European countries, so they are absent from national mirror committees;
- Many governments of developing countries intervene in international standardisation supporting solutions that favour the entrance of multinationals in their markets, rather than the development of local SMEs.

In light of the above considerations we favour the adoption of international standards as long as they have been generated as an extension of European ones, and we are instead against the use of international standards especially when their drafting process has happened mainly outside Europe.

Finally, as regards software solutions in public tenders and public procurement, NORMAPME and PIN-SME strongly recommend that authorities support the use of open standards rather than proprietary solutions.