

Presentation by the Convener, Ulrich Blum:

The Future Landscape of European Standardization – Results from the Whitebook –

Dear Mrs Edmonds, dear Mr President,

Thank you so much for giving me the opportunity to briefly introduce you into the findings of the FLES working group which are summarized in the FLES Whitebook. I think it is very important to see from the discussions here in Cyprus that all of you had basically positive reflections on the Whitebook and that FLES has a lot of flesh to offer in terms of analysis, projections and recommendations: the changing global competitive environment, the related political and economic fabric, the present and future requirements with respect to standardization and, last but not least, the internal abilities of CEN and CENELEC to cope with these changes. All of this is further elaborated in work conducted by four working groups that will guarantee the further FLES process.

What are the basic characteristics of this Whitebook? It contains all the three important elements of any good Whitebook:

1. The first element is simplicity so that all readers can understand the contents. Few have challenged this view, but given the high intellectual quality of all participants, this sometimes seems as an excuse for not willing to face reality that systems need to be adapted because the environment has changed.
2. The second element is pathos to prepare all stakeholders for later dramatic experiences which cannot be avoided in the long run unless certain structures are changed. Especially in the first round of sessions, pathos was imminent, but gave way to a convergence of insights. In fact, in the sense of Rousseau, it was possible to generate some sort of “*volonté générale*” out of a vast number of “*volontés particulières*”. Initially there were even more “*volontés particulières*” than members in the working group!
3. The third element is repetition which was not meant to generate a false sense of security but to allow the central message to sink in from different perspectives. The overwhelming message is unless CEN and CENELEC change and take the initiative to self organize this process, to define new common rules and to generate their own new side conditions, they will be changed by competitive pressures of the world environment.

What are the most important questions and what are the most important answers?

- There are many questions and answers relating to the structure of decision making - the governance structure, the organization structure and the way these two organizations cooperate. The necessity to increase efficiency was considered as mandatory by all participants, using benchmarks from both organizations where possible. But it was also agreed that reducing cost is only one part of the game. Most costs occur outside CEN and CENELEC. The ultimate aim is to make the European Standardization System a worldwide leader. There is a lot to be gained from sharing experience.
- The visibility of the European Standardization System is considered as crucial. European standardization has wonderful and well-established brand names from our historic routes. In the long run and under conditions of word-wide competition a more European approach is needed. The visibility of the grand design that is called Future Landscape of European Standardization plays a prominent role.
- Given the free choice of multinationals to choose the region from which to standardize and the type of standard – formal standard or industry standard (possibly in consortia or fora), the extension of the scope of standardization in Europe was discussed in depth. It was felt that the intensity of competition would increase for national standardization bodies. Thus, standardization organization should offer broader platforms – ultimately roadmaps – which would also satisfy the demand for systems and for solutions. This more integrated approach would also make better use of scarce experts.
- It became very clear that accelerating R&D cycles, technology cycles and product life cycles should not squeeze formal standardization out of the market because of the timely need of stakeholders. Given that large multinationals have a wide range of standardization options, the joint platform with SMEs is crucial as a means of free knowledge transfer – and an important justification for taking formal standardization out of antitrust. Again, this view favors a broader definition of the products national standardization bodies as well as CEN and CENELEC should offer.
- In ageing societies the securing of intellectual property rights which is crucial companion of the value chain of intellectual rights' production becomes an especially important factor of economic wealth. It also relates to the ability to generate long-term roadmaps as technological trajectories for industry and of course also for consumers in Europe. Standardization must be attractive in order to invite the necessary amount of highly skilled experts. European technology will erode if white spots of technologies that are no longer covered by European experts emerge. The potential scarcity of experts has been named very often as a very important factor that may undermine the competitive edge of the European Standardization System – and of the European economy in general.
- One side aspect is the migration of technologies in the world as a consequence of the huge dynamics in the change of the international spatial division of labor. Technical

Committees must find their homes in Europe which may imply other countries than those where the technology historically emerged and matured. Europe must vigorously tackle this development unless it wants to lose technological clout.

- The convergence of technologies implies that this “hybridization” must be taken up fast and technological definitions must be made at great speed. It was suggested to set up a “Red Telephone”, which guarantees speedy decisions.
- All systems age! In recognizing this, the need to establish a sting becomes crucial to continually challenge and evaluate internal performance and reinvent the system periodically. This will allow the keeping up of an European Standardization System that is characterized by openness and by the adherence to its rule. Around this nucleus any development is possible.

With the termination of the FLES Working Group and the writing down of the basic agreements that were reached in the Whitebook the personal assignment of the convener ends. The FLES working group has made an effort to establish a second life which will be organized in four working groups. The chairmen of these working groups have conducted additional analyses and generated recommendations in the fields of political agenda, of governance and sectors, of back office as well as branding and marketing. They will be responsible for driving the system for CEN and CENELEC in the future. It is very important that they profit from an overwhelming support.

The Cyprus meeting of CEN and CENELEC has the potential of being renowned not only for the beauty of the island but also a place of important European decision making. With the Cyprus Declarations that will broaden the scope for European Standardization based on a grand design of courageous decisions, a new momentum, as Mrs. Francis Edmond has said, will carry the European Standardization System and guarantee that the necessary decisions are taken – sometimes they are compromised on the small things that also have to be resolved. All participants of this conference should promote the grand idea of the Future Landscape of European Standardization full heartedly.

Frankly speaking, there is little choice! What would non-FLES imply: It would mean an erosion of Europe’s technological competences under already difficult conditions, i.e. demography that puts our system of experts under stress. It would make it difficult for innovative SMEs, especially internationally diversified “Global Medium Sized Enterprises” (GMEs), to access or influence all technologies. This would erode part of Europe’s innovation system. In a world of system’s demands and demand for bundles Europe’s producers would risk that they no longer can procure markets based on own technologies. It should be clear that the supply-oriented approach weakens the more demand dictates conditions. This satisfaction often is based on converging technologies that must be accessed from a holistic position, ac-

cepting that product life cycles, technology cycles, research and development cycles accelerate which makes it difficult to meet the timely demand of producers for formal standards. If speedy processes are not married with quality under the brand of EN, an important element of Europe's technological leadership will be lost.

Those who have the standards have the market through technology!

Industrial leadership is the ability to define the length of the product life cycle – and this rests on technology!

About 60 years ago the later Minister of Economics of Germany, Ludwig Erhard, the designer of the Social Market Economy, freed prices in Germany and declared: "We will establish a market economy". Many were terrified and said: "Shouldn't we go along with a little bit of market and make the rest a little bit more organized?" And Erhard replied: "As you cannot only be a bit pregnant, you cannot have a bit of the market economy." This is our ultimate message: You can either have an efficient European Standardization System – or you leave it! And if you want to have it, it must be consistent to be international competitive and be an international pace setter. Thus, the full pregnancy must be accepted, which is easy on Cyprus, the isle of Aphrodite. This good news must be promoted and spread around Europe and the world. This joint baby from CEN and CENELEC must be delivered in due course of time and must be allowed to grow successfully.

Thank you so much for your attention.