

D-0308-153a-MV

HOTREC¹ reply to the
*COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN
PARLIAMENT AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
COM(2008) 133 final*

Towards an increased contribution from standardisation to innovation in Europe

Approved by the HOTREC General Assembly in Paris, 10-11 April 2008

HOTREC welcomes, as a key step in the right direction, the March 2008 Commission Communication “*Towards an increased contribution from standardisation to innovation in Europe*”. HOTREC is very pleased that, in response to the Competitiveness Council of December 2006, the Commission intends “*to present proposals for action to be taken by the relevant stakeholders to reform and streamline the system*”.

HOTREC similarly welcomed last January the launch by the Commission of a study on access to European standardisation along the following lines: “*The European and national standards bodies are invited to address as a matter of priority the conditions of access to standardisation, and to reconsider, in close cooperation with the Member States and the Commission, their business model in order to reduce the cost of access to standards, with the ultimate goal of providing free access to standards developed in support of EU legislation and policy.*”

Indeed, a substantial review of the working methods of the standardisation bodies at national, European and international level is absolutely necessary.

Introduction

Generally speaking, a standard is a “*model to refer to*” or “*a procedure the repeated use of which allows for delivery of products or services with same specific characteristics*”. Standards in that sense are common in and very useful to hospitality establishments. However, what is at stake here are standards developed within the formal context of official standardisation bodies: national standards bodies (NSBs), European Standards Organisations (ESOs) and international standard organisations (ISO).

¹HOTREC represents the hotel, restaurant and café industry at European level. It counts 1.6 million businesses, with 92% of them being micro enterprises employing less than 10 people. The micro and small enterprises (having less than 50 employees) in the hospitality industry representing 99% of businesses make up some 62% of value added. The industry provides some 9 million jobs in the EU alone. HOTREC brings together 40 National Associations representing the interest of the industry in 25 different European countries.

The need for standardisation of services, in particular hospitality services, is not as obvious as it is for goods. Hospitality services are generally custom-made and tailored to the customer. This is very different from goods where, for instance, the diameter of a tap must correspond exactly to the diameter of the tube it has to adjust to. In relation to our services, diversity reflects different cultures and geographical situations and constitutes one of the major attractions for customers. The latter do not expect to find standardised conditions everywhere they travel. On the contrary, their expectations vary according to their destinations, their ages as well as the purpose of their trips, be it a business trip or a trip for pleasure.

The Commission Communication itself acknowledges that *“In the services sector, there is still a limited number of standards resulting mainly from the heterogeneous and intangible nature of services...”*. Heterogeneity is a main competitive feature for the hospitality industry.

HOTREC concurs with many statements in the Communication

“Standardisation is a voluntary cooperation among industry, consumers, public authorities and other interested parties for the development of technical specifications based on consensus”. The Commission...*“Re-assert the commitment to market-led standardisation and to the voluntary use of standards”*.

Since years HOTREC repeats over and over that standardisation in relation to hospitality services should remain fully market-driven and that official standardisation bodies should not take any initiatives which are not supported by the users and the industry. The role of the standardisation bodies should be limited to assist with methodology and logistics in case the players on the market, including the industry concerned, ask for the development of a specific standard.

This is all the more important that, although supposedly voluntary in principle, standards become easily mandatory. Standards can easily be integrated into law. They can also be used as a benchmark by tribunals and the courts, thus making them binding on the industry.

“A formal standardisation process which fully respects the principles of openness, inclusiveness, transparency and coherence and is accountable for establishing consensus between all national positions and interested parties is necessary.”

A first major difficulty – not only at European and international level, but also at national level - is to get informed about which standards are being developed and to access the draft documents, which are made available only to the members of the committee or working groups dealing with the standards concerned.

A second major difficulty is the lack of information on the extent to which the stakeholders are informed and consulted by the standardisation bodies. Information on the “representativeness” of the stakeholders involved is also usually lacking. Too many experts on the various committees and working groups are, in fact, consultants who develop their own activities by advising on the development of standards and, later on, by certifying on the basis of such standards.

Another essential difficulty lies in the lack of transparency of the rules applied. The concept of “consensus” is in great need of a precise definition.

At European and international level, membership of the committees is reserved for the national standardisation bodies. The European industry can only apply for “liaison status”, and the acceptance of the application again depends on the national standardisation bodies. Even when a liaison status is granted, consultation of the industry at European and international level is by-passed under the argument that it has - supposedly - already taken place at national level. Liaison status does not provide any voting right. It does not even give the right to participate in the “enquiries”, organised at the end of the procedure of adoption of a standard.

“...this potential is often not realised because of barriers such as the complexity of the language of the standards, the time required to participate in standards-making, and the cost of the deliverables.”

“The Commission invites the standards organisations to systematically publish abstracts of European Standards without access restriction”.

The Commission rightly points out that there are many barriers to a transparent and efficient standardisation work. The “standard” jargon is for sure one of them. But the language used can also be a significant barrier. Working documents as well as draft standards developed at European and international level are mainly available in English only. Considering that standards are very complex and technical documents, the lack of texts in national languages is not a marginal problem. On the contrary, this limitation prevents - *de facto* - many interested parties from following properly the standardisation works and from contributing to the process. Moreover, this situation discriminates against those stakeholders which can not afford costly translation services.

In many countries, participation to standardisation works is not free of charges. Several of HOTREC national member associations have to pay to participate in the activities of their standardisation body, not only relating to the development of a national standard, but also for the participation in “mirror committees” related to CEN and ISO. The fact that national situations concerning the modality and costs of participation in standards-making vary so greatly from country to country contributes decisively to create an uneven playing field, denying some stakeholders the possibility to be involved and contribute on equal foot to the development of “supposedly European” standards.

Furthermore, as rightly identified by the Commission in its Communication, the time required to participate in standards-making, as well as the cost of deliverables are additional burdens, which make the active participation in standardisation activities even more difficult.

“The Commission will substantially increase its financial support to European coordination of SME representation in standardisation. Within the planned proposal for a Small Business Act, the Commission will introduce provisions to consolidate the commitment of the Member States to include SMEs in standardisation at national level, which is the most accessible context for most SMEs.

The Commission invites the standardisation bodies to fully acknowledge the implications of the ‘think small first’ principle, in particular regarding how the standardisation process may be revised in order to improve the transparency of standardisation activities and the cost-benefit balance of participation for SMEs and users. The Commission encourages the ESOs to seek a fair and balanced representation of all stakeholders of standardisation.

On the basis of existing SME associations and national bodies, SMEs need to organise themselves better to defend their interests in the standardisation process, with the institutional and financial support of public authorities”.

99% of hospitality establishments (hotels, restaurants and cafés) are SMEs, according to the European Union definition. Therefore HOTREC welcomes the emphasis that the Commission puts on the participation of SMEs in the standardisation work. Financial support for participation in standardisation work should not only be granted to horizontal bodies representing SMEs, such as NORMAPME, but also to vertical bodies, such as HOTREC.

In a nutshell, the demands of HOTREC and its member associations in relation to standardisation

- The development of standards should remain **fully market-driven**: initiatives should come from the market (industry and users). The industry wants that standards be based on commercial considerations as well as on **proper business impact assessments**. Standardisation bodies' role should be limited to providing a methodology;
- **Full and demonstrable consultation of the industry** at all levels – national, European and international – accompanied with voting rights, should be systematically organised on both the **desirability and the proposed contents** of the standards relating to the tourism industry directly or indirectly;
- Clear criteria should define the **representativeness** of all parties consulted and involved in the development of standards. Details on the representativeness of the stakeholders consulted should be made available. Particular attention should be paid to the participation of consultants who get paid for developing standards and, later on, for certifying on the basis of such standards;
- **Transparency of all work undertaken** (including early information and free access to all working documents for stakeholders) should be ensured;
- **Transparency in the voting regime** has to be ensured in order to allow identifying who voted on behalf of a NSB, especially when the vote is taking place by correspondence. The reliability of the vote by correspondence should be carefully reassessed;
- More generally, all **rules** governing the development of standards should be **reassessed** and **simplified**; the concept of “consensus” should be **defined** in a precise manner;
- The issue of the **costs of the development of standards**, including the **cost of compliance** for industry, should also be looked at carefully;
- The **impact on competitiveness**: the consequence that small businesses have to pay proportionally more than large enterprises to adapt to standards should be taken in close consideration.

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