

Voluntary Standards—Why Should Consumer Interests Be Represented?

The purpose of this roundtable was to draw upon the expertise of the speakers to consider four questions:

1. is there a need for consumer representation in voluntary standards-making?
2. what is the present status of consumer representation?
3. what are the failures and weaknesses of the current system?
4. what remedies seem appropriate?

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Session Overview

Voluntary Standards cover the design and performance of a wide range of consumer products and services. Because of their pervasive effects they have a strong influence on consumer satisfaction and welfare. In a paper, "Standardization: An Old-New Consumer Issue," presented at last year's ACCI conference, Dr. Herrmann provided the historical and economic context for the emergence of standards as a consumer concern. With the globalization of markets, industry and governments increasingly have come to rely on international standards to facilitate cross-border trade and to satisfy public policy objectives for safety, health and environmental protection. This has led to a call for greater consumer interest representation in standards-setting, as consumers are the ultimate end-users of the products and services which are based on these standards. This roundtable examined these issues in more detail, calling on experts on both national and international standards-making.

Comments from session participants indicated there is a need to further promote understanding of standards and the valuable role that they play. Among the questions addressed in the session were:

- What percentage of products are covered by voluntary standards?
- How is the rationale for standards and the technical content of standards developed?
- How are voluntary standards different from regulations and legislation?
- When are voluntary standards used and what is their legal status?
- What level of transparency exists in voluntary standards-setting?
- Are standards part of the quality process?
- Are there different/competing levels of standards which provide a range of requirements?
- How are standards organizations funded?
- Are standards available to the public?
- How do you define "international standards" and what is the scope of this work?
- What funding is available to support consumer involvement?

Educating the Public on Standards Participation

(James McCabe)

Voluntary standards play an important role in simplifying our daily lives as consumers. They help to ensure that products work for their intended applications across the spectrum of technology. From light bulbs to batteries, ATM cards to personal computers, standards promote product interoperability, enhanced quality and reliability. They also perform an important societal benefit in that governments rely on voluntary standards to fulfill their public policy objectives relating to safety, health, the environment and consumer protection. From a purely economic perspective, about 80 percent of global merchandise trade is affected by standards and by regulations that embody standards. In addition, standards that are developed with consumer input are more likely to result in products that will be accepted into the marketplace. However, consumers typically are unaware of the existence of standards.

My remarks this afternoon will focus on ANSI's educational outreach to consumer groups and the academic community to raise awareness of the value of standards and standards participation. Our goal is to help educate consumers and to involve them more directly in standardization, both at the strategic policy level and at the technical level of standards development. An organized educational initiative will promote broader standards participation, more effective participants, and higher quality standards.

A standard is a document, established by consensus and approved by a recognized body, that provides rules, guidelines or characteristics for activities or their results. Standards are guidelines to be used on a voluntary basis. They become mandatory when they are adopted or referenced into laws or technical regulations. As Professor Herrmann noted in his research paper last year, some of the earliest examples of standards were those for weights and measures. With industrialization came the need for simplification and standardization to reduce problems associated with unnecessary differentiation in products. Standards also began to be recognized as an effective tool to promote safe workplaces and for consumer protection. More recently, with the growth of the global economy, standards for business systems and services have come to the fore. And today international standards are fast replacing national and regional standards as a means of facilitating cross-border trade.

Voluntary standards serve U.S. interests well because government, consumers and industry work together to create them. The American National Standards Institute was founded in 1918 by five engineering societies and three government agencies, who recognized the need for a focal point for standards coordination, harmonization and information. Throughout its history, ANSI has provided a forum where the private and public sectors work cooperatively together to develop voluntary consensus standards that benefit the nation. ANSI serves as the umbrella organization that coordinates and administers the U.S. voluntary standards system. Our roles include accrediting U.S. Standards Developing Organizations (some 200 currently) and approving American National Standards that have been developed in accordance with our essential requirements for openness, balance, consensus, and due process (more than 10,000 approved to date). We provide a fair, open and transparent process, with numerous checks and balances designed to protect the rights and interests of every participant.

But standards are just good ideas unless products conform to them. Accordingly, ANSI promotes consumer confidence by accrediting organizations that are involved with the certification of products. Last year we also introduced a program to accredit personnel certification bodies. We also serve as the U.S. national member of the International Organization for Standardization (ISO) and, via the U.S. National Committee, the International Electrotechnical Commission (IEC). In addition, ANSI is a one-stop resource for instant access to standards and standards information. Significantly, ANSI is not a government agency or a regulatory body, nor are we a standards developer. We are a private, 501(c)3 non-profit membership organization. Our members, not ANSI, develop standards. ANSI is responsible for ensuring the integrity of the standards development process. Consumer involvement adds credibility to this process.

ANSI's diverse membership represents virtually every sector of the U.S. economy. The ANSI Federation comprises a unique and diversified body of stakeholders that includes industry, standards developing organizations, trade associations, professional and technical societies, government agencies, labor organizations, consumer groups, and academia. ANSI's strength comes from its diverse constituents working together to promote a strong U.S. voice in the global marketplace. Membership in the Institute is not required to participate in standards development.

In August 2000, the ANSI Board of Directors approved a National Standards Strategy for the United States. Goal 11 of this strategy is to: *Make the value of standards development both apparent and real by educating private- and public-sector decision-makers about the value of standards and how to take advantage of the process.* In furtherance of this goal, ANSI established an Ad Hoc Committee on Standards Awareness and Education which last year was made a permanent Committee of ANSI. The Committee comprises representatives of the ANSI Federation, including the academic community. Among its first tasks, the Committee conducted an education and training needs analysis of target segments within the standards community. An outcome of this analysis was to develop a strategy to get standards and conformity assessment content into the curricula of institutions of higher learning. While the initial focus is on emphasizing the strategic importance of standards to businesses operating in the global market, there is also an opportunity to bring standards education into family and consumer science programs.

ANSI's earliest training efforts were delivered in the traditional, classroom setting and we continue to offer such courses.⁵ However, a number of factors prompted ANSI to explore, develop and implement alternative mechanisms for delivering standards-related training. In 2002 ANSI released its first e-learning course, *Why Standards Matter*.⁶ This free, introductory course covers:

- what standards are
- how different organizations are involved in standards development
- the importance of standards in everyday life

- how standards protect our health, safety and the environment
- the difference between voluntary standards and regulations
- the role of standards in U.S. business and the global marketplace.

A follow-up course, *U.S. Standards – Today and Tomorrow*, also free, focuses on the national standards process. These courses enable students to acquire valuable information, at their own pace, right at their own desktop. Another effective delivery mechanism is the virtual workshop. This option combines the benefit of involving a live instructor with the cost savings of delivering content via a phone and Internet connection. Fundamentally, web-based training helps to make standards education available to a much wider audience than ever before. Moreover, it offers an inexpensive and effective means of delivering training to consumers and other interest groups who may lack the time, resources and inclination necessary to travel to a distant training facility. We encourage you to take advantage of our existing e-learning courses and to give us your feedback. Later this year, we will introduce a new virtual workshop on opportunities for consumers to become involved in standards-related policy activity.

The ANSI Committee on Education is moving forward with several initiatives to incorporate standards-related information into the curricula of colleges and universities. ANSI is partnering with the U.S. Environmental Protection Agency on a national design competition that will award grants to university students for projects in engineering and environmental technology for sustainable development. Members of the standards community are also preparing materials that can be used to persuade university faculty and deans of the need to incorporate standards-related content into curricula. ANSI's Education Committee also has had discussions regarding the potential development of training modules for universities to assist them in this endeavor. This initiative will be addressed at the fall 2004 regional conference of the American Society for Engineering Education.

In summary, ANSI's strategy is to create programs that will help to raise awareness of standards and the value and importance of participating in national and international standards development. Toward that end, we will continue to build effective training partnerships with standards developers, companies, government agencies, educational institutions, consumer groups and others. We hope that ACCI and its members will partner with us in these efforts.

Consumer Involvement in Energy Efficiency Standards

(Jeanne Bank)

Good afternoon, I am very pleased to be here today and to participate in this roundtable discussion. Usually when you mention technical standards, people's eyes glaze over and there is an impression of complex, tedious work that requires an engineering degree to participate effectively. But the message that I would like to get across today is that voluntary standards work is a vital opportunity for consumer professionals to have a voice in improving safety and quality of life. I will be talking about a recent survey we did on consumer involvement in energy efficiency standards but the findings are applicable to other areas of standards work as well. I hope by the end of our session today that you will have an appreciation for the increasing importance of voluntary standards in the global marketplace and why we need to have good links between consumer professionals, academia and the field of voluntary standards

CSA⁷ is a not-for-profit, member based organization with over 7500 volunteer committee members. CSA is accredited by the Standards Council of Canada⁸ and has published over 2000 standards in our 85-year history. About thirty percent of these are referenced in legislation. CSA standards address a broad spectrum of issues relating to consumer and public interests. In the area of child safety we have standards for school buses, bicycle helmets, playgrounds and drug packaging. To address the needs of families we have standards for domestic gas and electric appliances, environmental labelling, privacy, health care, energy efficiency and sports equipment. In the workplace our standards cover protective equipment, ergonomics, emergency preparedness and air quality. In recent years we have also published standards that address the needs of our aging society. Roughly half of our standards have associated certification or conformity assessment programs and other Divisions provide these verification services to organizations. The CSA mark appears on about a billion products.

CSA has one of the most well established programs for consumer involvement in standards work. The Program has been in operation since 1976 and is funded by CSA's operating budget, without any financial support from government. We have volunteers participating at all levels on over 180 technical committees. We provide a full volunteer management program, including recruitment, support, training, research and communication.⁹ In addition to consumer representation on committees, we also have volunteers who participate on Advisory Panels and respond to surveys. The success of the Program has been due to a strong commitment from our Board and staff. We are also active at national, regional and international level in standards-related consumer policy forums. But what is the true impact of this Program? It is not just a nice to have – it is truly an integrated part of CSA's activities. This Program

helps to improve our committee results and it is critical to our consensus process of standards development. We know from our research that the input of consumers has resulted in requirements that have helped to reduce injuries, improve performance of products and increase consumer confidence. While some achievements occur easily, others are incremental improvements achieved over a very long period of time – in some cases the consumer position does not win the day but the process does provide for a voice for consumer interests to be represented.

Recently we undertook a research project to assess the current state of consumer participation in CSA energy efficiency standards work and to recommend improvements. It was funded by Federal Government and conducted by an independent researcher. The methodology included: literature review and focus groups/interviews with experts; an assessment of CSA standards activity and process; qualitative survey research with staff, consumer representatives, committee members, groups not involved in standards work, and an international benchmarking exercise. Key findings were:

- energy efficiency standards are of great importance to consumers – they impact on performance, price and consumer choice;
- there is a gap between perceptions and the reality of consumer participation;
- the Canadian consumer movement is well resourced and lacks capacity for independent technical research;
- there is no direct government support of consumer representation in Canada, and
- respondents reported a high level of satisfaction with the CSA Consumer Program and it compares well internationally.

It is a challenge to recruit effective consumer and public interest representatives – many consumer organizations do not have the resources to commit to this type of activity. Recommendations from the report call for improved links between CSA, consumer representatives and their constituencies and the need to provide consumer representatives with access to technical research. We need to get more consumer and public interest stakeholders involved, using a variety of mechanisms. There is also a need for priority setting by consumer groups and increased support by CSA, Federal and Provincial Regulators. We are now working on Phase 2 to this initial research and will be holding public forums to develop a longer-term public involvement strategy for this area of standards work.

So, what direction are we headed in? We learned a number of things from our project on energy efficiency that can be applied to the overall strategic direction for our Program. The key direction is greater flexibility in models for participation. We are expanding the Program to the US for our binational work on gas appliances and fuel cells. Up until now there has been little consumer participation in this work. We are seeking to change that and this conference is the start of our recruitment efforts. We will also be focusing on better coordination within the Program and the establishment of stronger linkages with consumer groups, academics, and researchers. There is a need for increased public awareness and education about voluntary standards – through outreach, partnerships and communication. In this global market, we also need to be involved in consumer policy and technical standards work at the international level. In summary, we need to do more than just open the door – we need to truly engage with stakeholders. Plus, linking to research is critical if the consumer position is to be persuasive. What is the role for ACCI members in this critical area of consumer policy? There are a number of ways consumer professionals can get involved – through direct participation, assisting with the recruitment of volunteers, raising awareness of voluntary standards with your students, and making sure that research findings feed into policy work and technical standards setting.

In closing, I want to provide one of my favourite quotes. It comes from one of our most successful consumer representatives and I think it shows that even with the best program and policies, effective consumer participation still depends on the grand old skills of consumer representation:

All we need to do is be friendly without being familiar, be an advocate without being an adversary, be self-confident without being pushy, develop our sense of timing and our sense of humor and use every ounce of energy we possess to ensure that the consumer perspective has been addressed. In so doing, we shall have set a standard for consumer representation that is definitely persuasive.

Margaret Soper, CSA Consumer Representative
and winner of CSA's most prestigious Member Award in 2002

**Decision-making in the Global Market—Opportunities for
Consumer Participation in International Standards-setting**

(Bruce Farquhar)

The process of setting international standards has become increasingly significant under the WTO non-tariff agreements that set out the rules and disciplines with regard to standards and procedures for assessing conformity to

these standards. As a result of the agreements individual countries cannot set national standards requiring higher quality or performance than existing international standards, unless they can demonstrate good cause. As a result of this development consumer representatives are increasingly active in international standards setting organizations. In order to explore this issue in greater depth Consumers International, with the support of the Ford Foundation, is embarking on a research project entitled “Decision Making in the Global Market”.

The goal of the Consumers International/Ford Foundation research project “Decision Making in the Global Market” is to develop an understanding of how and why decisions on international standards come about and the impact they can have on consumers in both developed and developing country contexts.

The study will examine the different interests and processes influencing standards-making bodies, and the implications that arise as a result of the use of international standards within the WTO dispute resolution system. Both non-governmental and inter-governmental standards setting bodies will be examined. These include ISO, the International Organization for Standardization in the non-food sector, and Codex Alimentarius in the food sector.

The project will identify the guiding principles, policy-making procedures and processes that are in place within the WTO, Codex and ISO. It will seek to assess whether these are able to ensure inclusive and representative decision-making. The research will also explore the policy with respect to consumer participation in work of the members of these international organizations, for example, with respect to how members reach consensus on positions they then represent in the international organizations. With governments increasingly pressured by domestic lobby groups there is a potential for standardization activities to become politicized before reaching the international arena. There is often an imbalance in representation, due to the greater power and resources within the industry lobby.

The planned research project’s primary output is to offer research based guidelines and recommendations for ensuring that consumer interests, in both developed and developing countries, are supported and promoted in standard setting. This representation is needed at a national level and within the international institutions of Codex, ISO¹⁰ and the WTO. It is only through a thorough knowledge of both the norms, rules and procedures at both an international and national level, that consumers can identify and pursue areas to increase their effective voice in the standardization process. Increasing consumer leverage will help ensure that the benefits of international trade rules are not outweighed by any negative consequences caused by imbalances in stakeholder participation. The research is taking place within the context of a wider on-going debate concerned with developing programs at an international level that are better able to respond effectively to global challenges, while ensuring the participation of relevant stakeholders. The research results should contribute to this discussion by identifying ways to enhance effective and representative international regimes from a consumer perspective.

The first phase of the research examining the procedures of the international organizations was completed prior to the ACCI conference. The background research on ISO and IEC has identified the current opportunities for stakeholder participation and has compared this with existing best practice at the national level and in regional standards bodies in Europe. A number of proposals for improving stakeholder participation have been made by NGOs and national standards development organizations. Many of these proposals have been made a part of the ISO Horizons consultation on ISO’s strategy from 2005-2010. A summary of these proposals is given below.

Communications and promotion

- Increase communication efforts to raise awareness and promote the concept of balanced stakeholder representation;
- develop guides for national standards bodies, addressing the issue of how to associate civil society and small and medium enterprises;
- improve communication concerning ISO and IEC’s deliverables other than standards, raising awareness of the alternatives to full standards development.

Process improvement

- Develop statistics on stakeholder diversity (representation within national mirror committees, delegations and experts) – to enable national standards bodies to document what they have done to ensure balanced representation of interests;
- disseminate information more broadly at earlier stages in the process, offering means for electronic consultation (or even "e-membership") to larger groups of stakeholders and encouraging national public enquiries at earlier stages;
- give the right (as opposed to Chair's discretion) to certain groups of stakeholders to participate in committee work as observers;
- target at an early stage for better participation of representatives from regulating authorities;

- assess the ITU-T model for direct participation and pilot test balanced direct participation in selected fields (most likely high tech, emerging technologies);
- consider involvement in technical management and policy committees for international organisations through access to information and/or direct participation (General Assembly, TMB, Council, TC CAGs in ISO; Council, Council Board, standards management board and advisory committees in IEC);
- give right of appeal to NGOs and/or develop some other conflict resolution mechanism;
- identify positions of stakeholder groups within national delegations;
- ISO and IEC CS needs to establish procedures to monitor quality of consensus and spread best practice with respect to stakeholder involvement.

New mechanisms to foster participation of certain groups of stakeholders

- Facilitate the development of international networks of stakeholders from civil society;
- also leverage the use of the Internet and electronic means for exchanging information, supporting their direct participation in ISO committees as liaison organizations;
- consider the possibility of creating a fund to support participation of consumers (in a way similar to what is currently done for developing countries).

This list will serve as the basis for discussion within Consumers International of what proposals for reform it should propose on the basis of its research into ISO and IEC. Work in the second stage of the project on case studies looking at the practical application of the rules and procedures of the international organizations will shortly be underway. This will also help to inform Consumers International's internal policy debate.

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⁵ www.ansi.org/education

⁶ www.StandardsLearn.org

⁷ www.csa.ca

⁸ www.scc.ca

⁹ Industry Canada Handbook for Consumer Representatives:

<http://strategis.ic.gc.ca/epic/internet/inoca-bc.nsf/en/ca01580e.html>

¹⁰ ISO/IEC Statement on Consumer Participation in Standardization Work: <http://www.iso.ch/iso/en/prods-services/otherpubs/Copolco.PublicationList?CLASSIFICATION=COPOLCO>