



Standardisation : powering economy and society in the digital age

26 March 2020, India/EU

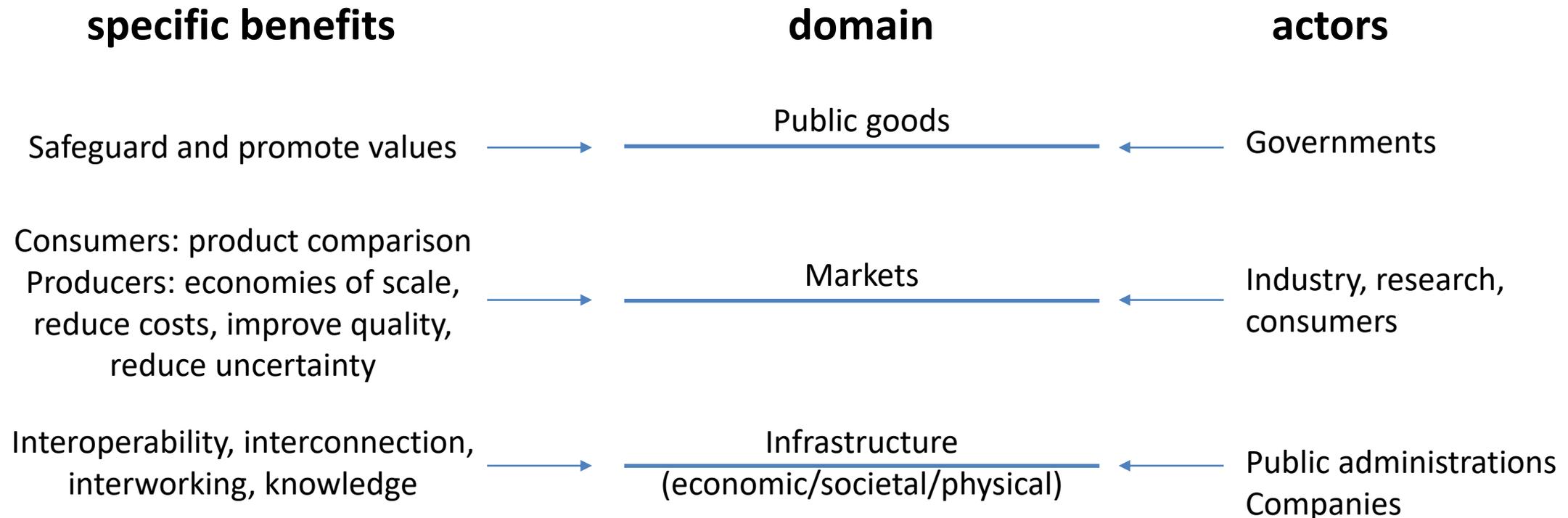
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Outline

1. Benefits of standardization
2. Changing political realities
3. Smart standardization

Benefits of standardization (1)



Benefits of standardization (2)

- contribution to GDP -

Country	Publisher	Time frame	GDP growth rate	Contribution of standards	Standards / GDP
Germany	DIN (2000)	1960–1996	3.30%	0.90%	0.27
France	AFNOR (2009)	1950–2007	3.40%	0.80%	0.24
United Kingdom	DTI (2005)	1948–2002	2.50%	0.30%	0.12
Canada	Standards Council of Canada (2007)	1981–2004	2.70%	0.20%	0.07
Australia	Standards Australia (2006)	1962–2003	3.60%	0.80%	0.22

Benefits of standardization (3)

- contribution of standards -

- GDP: 7 - 27% share of GDP growth
- Labour productivity:

Country	Publisher	Time frame	Growth of labour productivity	Contribution of standards	Standards/labour productivity
Nordic countries	Menon et al (2018)	1976-2014	1.80%	0.70%	39% (!)

- Companies:
 - Nanotron (Sensera): 33% of EBIT thanks to standards in wireless sensors, IoT
 - Fraunhofer: mp3 created >10,000 jobs, €300M tax income in Germany (2006)
- Infrastructure:
 - within 10 years GSM in 95% of nations: policy sparks global industrial success

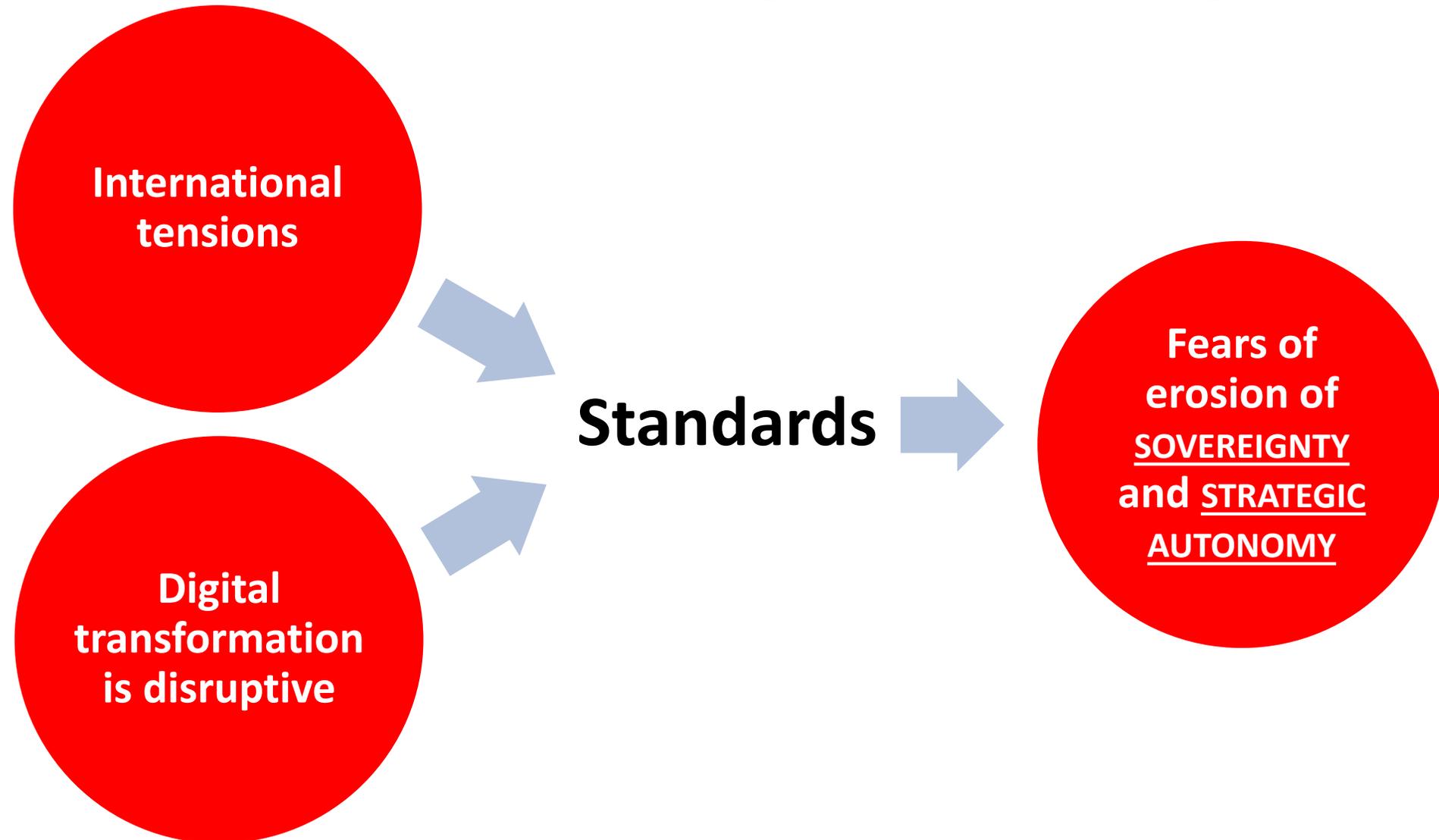
Benefits of standardization

- risk of downsides -

- Cost of compliance
- Lock-in a specific approach
- Hysteresis
- Potential TBT - Technical Barrier to Trade
- ‘Standardisation machine’ can become a silo
- Risk of exclusion of developing or emerging economies

Political reality is changing

– standards become a battleground of new geopolitics –



Political reality is changing

- Three approaches towards strategic autonomy -



Political reality is changing

- Strategic links to standardization -

- Global common goods
 - **Countries can focus** on where state control on strategic autonomy really matters. **Open source** and **distributed approaches** benefit much from **standardization**, e.g. open industry 4.0 platforms. **Diplomatic leadership** to promote global common good.
- Managing the risks
 - **Much common ground for selective international standardization**, eg for quality assessment, reporting, risk management. The strategic interest is to leverage national or regional standardization efforts, **promote national** enabling industries, and **reduce costs**.
- Strategic partnership
 - **Standardization is integral part of partnerships of the 'likeminded'**, e.g in 5G and IoT security, AI (ethics), privacy technologies. **Mutually recognized regulatory frameworks** with their link to standardization can underpin strategic partnerships.

Political reality is changing

- Governance matters, a lot! -

- From 2000 to 2020: from 'code is law' to 'law is code'
- Values and sovereignty are moving centerstage
- Increased government control and laws
- Drawing lessons from:
 - past successful private-public collaboration such as SWIFT
 - current private-private collaborations such as 3GPP, oneM2M
- Standardization alliances should pro-actively adapt their governance:
 - Enabling more yet appropriate government involvement
 - Dealing with more pressure from other policies e.g. security, trade, privacy, climate
 - Manage risks of regulatory hysteresis (choices that cannot easily be undone)

Smart standardisation

- is the way forward -

- **Strategic** with respect to general policy
- **Coherent** consistent with other policies
- **Integrated** part of mutually reinforcing policies



Thank you!

Q&A

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