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Strategic Overview Paper – CSS Update
Chairs and Secretaries Meeting
September 30, 2003

SUMMARY:

This discussion paper provides an overview of several key themes that contributors to the renewal of the CSS should keep in mind. This collection should not be considered exhaustive nor should it limit the inclusion of other factors that Advisory Committee members deem worthy of discussion. The text, statistics and questions provide qualitative and quantitative material and serve as a catalyst for CSS update discussions. It should be noted that many of these themes are inter-related and their subsequent order of appearance is purely arbitrary. Themes include:

- Trade: International & Domestic
- Innovation: Diversification & Convergence
- Demographics: Aging Populations, Productivity & Volunteerism
- Developing Countries: Engagement and Inclusion
- Sustainable Development: Citizens, Economics & the Environment
- Standards & Conformity Assessment: Cooperation & Competition
- Regulatory Reform: Safety & Flexibility
- Citizen Engagement: Information & Confidence

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TRADE: International & Domestic

- Canada's reliance on international trade has increased steadily over the past two decades. This growth has been facilitated by the development and expansion of trade agreements at both the international (e.g. World Trade Organization - WTO) and the regional / bi-lateral level (e.g. NAFTA, Canada - Costa Rica FTA, Canada - Chile FTA, etc.).

- Internationally, the depth and breadth of the Canadian trade relationship with the United States, the scheduled January 2005 implementation of the Free Trade Area of the Americas - FTAA (830 million citizens – gross GDP of $19.7 trillion), the enlargement of the European Union (May, 2004 – from fifteen to twenty-five members with approximately 450 million citizens) and ongoing APEC commitments remain important trade policy considerations.

- Domestically, internal trade remains a key component of the Canadian economy. A central piece of the domestic trade environment is the ongoing implementation of the voluntary Agreement on Internal Trade (AIT), the 1995 agreement amongst provincial and territorial governments designed to foster an open, efficient and stable internal market.

- Current international and domestic trade policy debates focus on several issues including the diversification of Canada's trade flows (i.e. lessen Canada's dependence on U.S. markets), a deepening of the Canada-U.S. trade relationship (e.g. customs union), considerations of the environmental and social impacts of trade (e.g. pollution, child labor, climate change, corporate social responsibility, etc.), the necessity of engaging developing economies in appropriate trade relationships, labor mobility and the transportability and/or recognition of professional credentials.

- Trade-related disputes containing a standards and/or conformity assessment component remain commonplace. Issues related to labeling, traceability, recognition and acceptance of foreign conformity assessment (including accreditation) results will persist as new products and services, innovative testing procedures, environmental considerations, regulatory activity and the necessity of addressing the needs of developing countries are discussed by governments and their citizens.

- Standards, technical regulations and conformity assessment procedures remain central to regional and international trade discussions, specifically in the context of the WTO Technical barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Agreements. The prudent usage of standardization should facilitate reduction of trade barriers while maintaining robust domestic markets.

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Related Statistics:

- Since 1950, the volume of global trade flows has risen 2000% *(DFAIT – Pocket Facts – Economic Indicators)*
- Estimated 80% of world trade activity (monetary value of USD $4 trillion annually) affected by standards and associated technical regulations - *(OECD – www.oecd.org)*
- Total Canadian goods & services exports (2002): $472.6 billion *(DFAIT)*
- Canadian Exports of goods & services as a percentage of GDP: 40.9% (2002) down from 45.4% (2000) – *(DFAIT)*
- Canada's major export markets (percent share of 2002 exports): United States (87.20%), Japan (2.12%), United Kingdom (1.12%), China (1.03%), Germany (0.74%) and Mexico (0.61%) – *(DFAIT)*
- Canada's major export markets by group (percent share of 2002 exports): OECD (95.7%), APEC (93.18%), NAFTA (87.81%), Developing and Least Developed Countries (5.38%) and EU-15 (4.39%) – *(DFAIT)*
- Average annual value of trade amongst provinces and territories – $350 billion *(AIT Secretariat – www.intrasec.mb.ca)*
- Canadian jobs dependant upon exports: 1 in 3 (33.3%) – *(Canadian Manufacturers & Exporters)*

Questions:

- What are some key trade-related areas / sectors in which standards and conformity assessment measures could have positive impacts for Canadian exporters?
- Given the size and scope of Canada-US bilateral trade, should Canada pursue closer alignment with American standards and conformity assessment bodies? What are the pros and cons of this alternative? Should increased / continued hemispheric standardization alignment be an objective? Should greater emphasis be placed on the Asia-Pacific region? What impact, if any, will the current state of international trade negotiations (i.e. Cancún implications) have on these questions?
- Are there new / emerging sectors that require additional attention from standards and conformity assessment stakeholders (i.e. in the context of the FTAA)?
- Are their any domestic (inter-provincial / territorial) trade issues that could benefit

from the application of standardization-related approaches (e.g. labour mobility, safety inspections, etc.)?

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INNOVATION: Diversification & Convergence

- The ability of a country to facilitate, accommodate and, where appropriate, regulate the forces of economic, technological and scientific diversification and convergence remain central to its social and economic development.

- The gradual transformation of the Canadian economy from a resource-base to a knowledge-base (i.e. post-industrial) continues, however reliance on traditional economic sectors remains strong.

- Despite a slowdown in the IT sector, product development and the incorporation of new technologies into the economy continue at a rapid pace. This environment has been further complicated by the process of convergence – the combination of two or more distinct technologies into a new technology (e.g. biotechnology, nanotechnology, biometrics, alternative energy, etc.).

- Through the application of the Innovation Strategy, the Government of Canada (in conjunction with provincial/territorial governments, industry, consumer groups, etc.) continues to promote innovation via a variety of mechanisms including business development, research support, investment promotion and educational incentives in both large and small- and medium-sized enterprises (SMEs).

- Through the development of National Standards of Canada (NSCs), the adoption / adaptation of international standards and the implementation of adaptable conformity assessment programs, NSS stakeholders continue to support well-established industries, facilitate the uptake / adoption of new technologies and provide regulators with flexible approaches to deal with new products and services.

Related Statistics:

- Gross Expenditures on Research and Development (GERD) as a percentage of Canadian GDP in 2001/2002: 1.80% ($20.7 billion) – *(DFAIT)*

- Industries and universities account for almost 90% of all research and development (R&D) spending in Canada - almost 70% of business expenditures on R&D is concentrated in the goods producing sector with most of it in the electrical and electronic industry – *(Industry Canada - Micro Economic Analysis Policy Branch, October, 2002)*

- Foreign financing of R&D grew by 13% per year over the 1981-2000 period, raising the share of Canada's R&D funded by foreign sources from 4% in 1981 to 16% in 2000 (*Industry Canada - Micro Economic Analysis Policy Branch, October, 2002)*

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- Patent applications filed with Canadian Intellectual Property Office (CIPO): from 27,646 (1997/98) to 39,657 (2000-2001) – *(CIPO 2001-2002AnnualReport)*

- Leading Canadian merchandise exports in 2002: automotive products ($92.8 billion), machinery & equipment ($83.5 billion), industrial goods ($63.1 billion), energy products ($49.4), forestry products ($38.5 billion), agriculture & fishing products ($29.7 billion) and consumer goods ($14.5 billion) – *(DFAIT)*

- Leading Canadian service exports in 2002: commercial ($27.9 billion), travel ($16.7 billion), transportation ($10.5 billion) and government ($1.4 billion) – *(DFAIT)*

Example: Biotechnology

- Number of biotech companies in Canada: from 282 (1997) to 375 (2001) – 40% increase – *(BIOTECanada, 20002 Annual Report)*

- Biotech "products & processes" on the Canadian market: from 1,752 (1997) to 6,597 (2001) – *(BIOTECanada, 2002 Annual Report)*

- Patent applications in Biotechnology and Computer-Related fields have increased at a faster pace than other fields in the 990-2000 period - the share of Biotechnology patents increased from 4.7% of the total in 1990 to 9.6% in 2000 *(Industry Canada - Micro Economic Analysis Policy Branch, October, 2002)*

Questions:

- What are some new / emerging industries and technologies that could benefit from a standards and conformity assessment component?

- How can standards, conformity assessment bodies and accreditation bodies best serve as "innovation catalysts"?

- Is the Canadian standardization community linked closely enough to new / developing industries / sectors? If not, how can these links be improved?

DEMOGRAPHICS: Aging Populations, Productivity & Volunteerism

- Canada, like many other "western" countries, is beginning to grapple with the implications of an aging population, declining birth-rates and static immigration levels. Over the next ten to twenty years, it is anticipated that these factors may contribute to a drop in Canadian productivity levels.

- Given current demographic trends, growth in Canada's labor force will continue to slow and stop by 2020 – this will mean a shift from a labor surplus to a labor deficit market. Competition for skilled employees and immigrants among G-7 nations is expected to increase accordingly.

- Canadian population centers are also changing with over one half of Canadians living in or around four main metropolitan areas: Toronto (ON), Montreal (QC), Edmonton-Calgary (AB) & Vancouver (BC) – other Canadian provinces and territories are experiencing decreases in population.

- The impacts of these demographic trends will not only be economic, but also 'social' (e.g. demands on the health care system including hospitals and medical laboratories, demands on metropolitan infrastructures, facilities & institutions to care for aging citizens, employment & living arrangements for home-based care of aging parents, etc.).

- These trends may or may not (according to the most recent Canadian statistics on volunteerism – see below) have a negative impact on the approximately 15,000 person volunteer base of the National Standards System.

Related Statistics:

- Canadian population growth: from 30.2 million (1998) to 31.4 million (2002) – an increase of approximately 3.9% - *(Statistics Canada - http://www.statcan.ca)*

- Canadian population projections: 34.1 million (2015) - 36 million (2025) - *(Statistics Canada)*

- Canadian population (ages 40-64): 33.1% (2002) - *(Statistics Canada)*

- Canadian population aged 65 and over as a percentage of total population: from 12.7% (2001) to 16.4% (2015) - *(Statistics Canada)*

- Canadian workforce as a percentage of population: from 61.3% (2002) to 51.7% (2041) – at which time it is estimated that the Canadian working population will have to be 20% more productive that in 2002 if it is to produce the same per-adult quantity of consumer and capital goods – *(Slowing Down With Age: The Ominous Implications of Workforce Aging for Canadian Living Standards, C.D. Howe Institute, May, 2003 – www.cdhowe.org)*

- Number of Immigrants to Canada: 254,817 (1992) – 229, 091 (2002) - average (1992-2002): 223,003 – *(Citizenship and Immigration Canada)*

- Canadian population changes – increases in select provinces (1996-2001): Quebec – 1.4%, Ontario – 6.1%, Alberta – 10.3% and British Columbia – 4.9% - *(Statistics Canada)*

- Canadian urban population as a percentage of total population - trends: 75.6% (1975), 78.9% (2001), 81.9% (2015) – *(Statistics Canada)*

- Amount of time spent volunteering in Canada (2001): from a low of 130 hours per year for those aged 15 to 24 to a high of 269 hours per year for those aged 65 and older - *(Volunteerism in Canada - http://www.volunteer.ca)*

Questions:

- Are there additional areas in which standards and conformity assessment procedures can help to mitigate negative demographic trends (e.g. facilitate labor mobility, recognition of credentials, bolster innovation to maintain productivity levels, etc.)?

- Is the NSS prepared for a possible drop in the number of standardization volunteers? How will Canada maintain a strong international standardization presence (and our corresponding high reliance on the outputs of our international standardization activities) given these trends? Will this require a reorientation / refocusing of Canadian Standardization priorities to best maximize limited human resources? How aggressive should volunteer recruitment be to meet Canadian standardization demands? Should larger numbers of retired standardization volunteers be accommodated?

- Should additional standards, conformity assessment procedures or partnerships be developed in support of economic and social activities designed to care for an aging population (e.g. retirement facilities, personal care / in-home workers, etc.)? For example, should arrangements with organizations like the Continuing Care Accreditation Commission (CCAC) or the Commission on Accreditation of Rehabilitation Facilities (CARF) be considered?

- Should groups and activities similar to the ISO/COPOLCO Working Group on the Needs of Older People and People with Disabilities (see also ISO/IEC Guide 71 - *Guidelines for standards developers to address the needs of older persons and* *persons with disabilities*) be established to deal with demographic-related issues?

- Should standards and conformity assessment activities examine issues related to growing urban infrastructures? Should there be a regional / metropolitan component to prioritizing standardization activities?

DEVELOPING COUNTRIES: Engagement and Inclusion

- The needs and requirements of developing countries (DCs) and least developed countries (LDCs) cover a broad spectrum - from the provision of the most fundamental necessities of life to the creation of functional standardizations systems that help to facilitate participation in global trade and commerce. Considerations related to what constitutes 'appropriate' assistance remain crucial to all development-related discussions.

- The engagement and inclusion of DCs and LDCs has become a key component in multilateral trade agreements (e.g. WTO Doha Development Round) and has resulted in other initiatives such as the New Partnership for Africa's Development (NEPAD).

- From the perspective of DCs and LDCs, some of the advantages associated with the use of international standards and conformity assessment procedures include utilizing pre-existing documents and procedures (thereby avoiding wasteful duplication), technology transfer (products and processes), providing internationally accepted documents and assessment criteria as a regulatory base for public safety and providing a sound foundation for participation in regional / international markets.

- Many major international standardization bodies (e.g. ISO, IEC, ILAC, IAF, related regional bodies, etc.) have increased efforts to make their respective organizations and arrangements more accessible to developing countries (e.g. flexible membership arrangements, increased use of IT to facilitate participation in standards development and availability of reference documents, technical committee Chair twinning activities, creation of databases containing standardization-related assistance opportunities, surveys to identify priority areas for developing country assistance, etc.).

- Since the re-activation of CAC/DEVCO, the SCC has been very active in this area. CAC/DEVCO has sought to establish strategic relationships with major Canadian development assistance and trade actors (e.g. CIDA, DFAIT), has been an active participant in ISO/DEVCO activities (e.g. contributions to ISO/DEVCO Funds in Trust, sponsorship of WG delegate travel, etc.) and has also coordinated several bi-lateral standardization training and information sessions (e.g. visiting delegations, IT assistance, etc.).

Related Statistics:

- According to the United Nations Developments Programme's Human Development Plan (UNDP) 2003, more than 1.2 billion people survive on less than $1 per day – most also lack basic health services and safe drinking water – *(UNDP Human*

Development Report 2003- http://www.undp.org/hdr2003)

- Nearly 800 million people (15% of the world's population) suffer from chronic hunger - *(UNDP Human Development Report 2003)*

- Canadian (SCC) technical assistance and cooperation activities in the technical barriers to trade (TBT) field – eighteen (18) projects - *(World Trade Organization, 2003, G/TBT/W/202)*

Example: Sub-Saharan Africa (2001 figures) – (WDI Database – Key Indicators - http://www.worldbank.org/data)

- Population: 674 million

- Life expectancy: 46 years (Canada – 79 years)

- No access to heath care: 200 million / No access to safe drinking water: 250 million

- Individuals living with HIV/AIDS: 29.4 million

- Personal computers (PCs) per 1,000 people: 9.9

- Fixed line and mobile phone subscribers per 1,000 people: from 14 (1998) to 41 (2001)

Questions:

- The UNDP's 2003 Human Development Report notes six policy clusters that can help developing countries overcome structural constraints:

    1. invest early and ambitiously in basic education and health
    2. increase the productivity of small farmers in unfavourable environments
    3. improve basic infrastructure (e.g. roads, ports, power, communications, etc.) to lower business costs and overcome geographic barriers
    4. develop a diversified industrial development policy (i.e. nurtures entrepreneurial activity, roles of SMEs, lessen dependence on primary industries, etc.)
    5. promote democratic governance and human rights
    6. ensure environmental sustainability and sound urban management so that development improvements are long term

- Can these policy clusters help to guide Canada's development-related standardization activities? What are some other critical areas / sectors in which standardization can be applied to benefit DCs and LDCs?

- Should Canada maintain a hemispheric focus (i.e. focus areas) regarding standardization-related assistance to DCs and LDCs or should no geographical restrictions apply? Should standardization-related assistance activities offer different forms of assistance for DCs as opposed to LDCs?

- Are there additional partnership opportunities in the Canadian context that could further advance CAC/DEVCO and ISO/DEVCO-related objectives?

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SUSTAINABLE DEVELOPMENT: Citizens, Economics & the Environment:

- "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." – World Commission on Environment and Development (Bruntdland Commission), 1987.

- In order to ensure that Canadians continue to benefit from a healthy environment and robust economy, citizens, policy makers, government institutions and large and small businesses must incorporate the central tenet of sustainable development (SD) - the same strategy, policy or program must simultaneously serve economic, social and environmental objectives.

- The willingness and ability to establish partnerships is crucial to the success of SD-related initiatives. The National Standards System is well-positioned to build upon existing partnerships and to establish new and innovative partnerships that can incorporate the tools of standardization in pursuit of SD objectives.

Related Statistics:

- Percentage of land area (total: 921.5 million hectares) covered by forests: 26.5% (1990) – 26.5% (2000) – *(Natural Resources Canada – Canada's National Forest Inventory - http://www.pfc.forestry.ca/monitoring/inventory/facts/facts_e.html)*

- Canadian boreal and temperate forest coverage: 417.6 million hectares / managed forests – 119 million hectares - *(Natural Resources Canada – Canada's National Forest Inventor)*

- Canadian carbon dioxide (CO_2) emissions per capita (metric tons): 15.4 (1990) – 14.4 (1999) - of the major industrialized nations, only the United States and Australia produced more carbon dioxide per person than Canada – *(Environment Canada – Climate Change - http://www.ec.gc.ca/climate/home-e.html)*

- Percentage of world's fresh water in Canada: 20% - *(Environment Canada Freshwater Website – Quick Facts - http://www.ec.gc.ca/water/en/e_quickfacts.htm)*

- Water power meets about two thirds of Canada's electrical needs - to date, only about 40% of Canada's hydroelectric potential has been developed - *(Environment Canada Freshwater Website)*

- Approximately 10 litres of water is required to manufacture 1 litre of gasoline - *(Environment Canada Freshwater Website)*

- Approximately 295,000 litres of water is required to produce 910 kilograms of paper - *(Environment Canada Freshwater Website)*

- Approximately 86,300 litres of water is required to produce 910 kilograms of steel - *(Environment Canada Freshwater Website)*

- Canadians dispose of 22 million tonnes of waste per year (2 – 2.5 kg of garbage per person per day) – *(Environment Canada)*

Questions:

- Is there a need to develop a sustainable development component / policy / approach for the NSS? If so, what types of standardization ideas / concepts / content would be necessary to include?

- Should the SCC and NSS partners pursue closer cooperation with groups (e.g. federal and provincial-territorial government departments, private industry, etc.) and initiatives (e.g. the National Roundtable on the Environment and the Economy - NRTEE) that promote sustainable development?

- Should the benefits of management system standards (e.g. ISO 9000 & 14000) be given additional attention from a SD context? Would this provide an effective argument against those interests who criticize the usefulness and/or applicability of management system standards?

- Should international standards bodies and their respective products become more 'pro-active' from a sustainable development perspective (i.e. standards and conformity assessment procedures that lead to fewer negative environmental impacts) than may be the case at present?

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STANDARDS & CONFORMITY ASSESSMENT: Cooperation & Competition

- In response to the multiple demands of global markets, stakeholder concerns, consumer expectations and developing countries, standards writing organizations (ISO, IEC, etc.) have broadened their range of products (e.g. Technical Specifications, Technical Reports and Publicly Available Specifications - PASs) and liaisons to meet the changing needs of the standards community (e.g. assistance to DCs, document revision / rationalization, etc.)

- Domestically, resources (human and financial) dedicated to and available for standards development have decreased. Considerations are underway regarding possible solutions in a Canadian context (via the Task Force on Innovative Funding Solutions - TFUNS)

- Due to large administrative burdens and limited effectiveness, government-to-government multi-sector mutual recognition agreements (MRAs) have decreased in popularity as a method for promoting the acceptance of mandatory conformity assessment results. Single sector MRAs (e.g. Inter-American Telecommunication Commission - CITEL MRA) and sectoral schemes (e.g. IECEE CB Scheme) have met with increased success and acceptance.

- Accreditation-based multilateral arrangements (MLAs) have increased in scope, participating members and acceptance levels (e.g. ILAC, IAF, PAC, APLAC, EA, etc.). Dialogue regarding the closer integration, and possible union, of major bodies has also been noted (e.g. IAF and ILAC).

- Many stakeholders continue to promote variants of the 1-1-1 approach (e.g. one standard – one test – accepted everywhere / one standard – one accreditation – accepted everywhere, etc.). Some corporate stakeholders / international firms have taken steps to rationalize / reduce the total number of accreditations held.

- New conformity assessment systems and schemes (e.g. Forest Stewardship Council - FSC, Pan European Forest Certification - PEFC, International Social and Environmental Accreditation and Labeling Alliance - ISEAL, etc.) have continued to grow in scope and acceptance – this has led to questions of accommodation by / cooperation with pre-existing systems and schemes, regulatory recognition and consumer confusion.

- SCC has launched new accreditation programs to meet the changing demands and requirements of NSS stakeholders. Regulatory involvement and standardization partnership approaches remain an important consideration.

Related Statistics:

- International standards and standards-type documents published (2002): ISO – 889, IEC: 544 – *(www.iso.ch / www.iec.ch)*

- Total SCC accreditations: increase from 328 (2001-2002) to 363 (2002-2003) - *(www.scc.ca)*

- From 2000 to 2003: average of 68% of approved National Standards of Canada were adoptions/adaptations of international standards - *(2003 SCC Annual Report – Draft)*

- Number of ISO 9000 certificates issued in Canada: increase from 1, 397 (Dec. 1995) to 11, 635 (Dec. 2001) - *(ISO Survey of ISO 9000 & ISO 14000 Certificates – Eleventh Cycle - www.iso.ch)*

- Number of ISO 14000 certificates issued in Canada: increase from 7 (Dec. 1996) to 801 (Dec. 2001) – *(ISO Survey of ISO 9000 & ISO 14000 Certificates)*

Questions:

- What are some existing and/or new sectors in which standards and conformity assessment activity will most likely increase (e.g. food / water safety, certification of persons, product traceability, alternative energy / energy conservation, quality and environmental management applications, occupational health and safety, corporate social responsibility, etc.)?

- In the wake of recent international developments, should standards and conformity assessment bodies continue to explore the applications of standardization in a security context (e.g. transportation security standards, biometrics, emergency preparedness, work of ISO TC 223 – Civil Defence, etc.)?

- What are some key messages and activities that could increase regulatory understanding of, and participation in, the operation of the NSS?

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REGULATORY REFORM: Safety & Flexibility

- Many commentators have noted that regulatory reform can be effective in boosting sectoral performance, enhancing economy-wide efficiency, innovation and growth, increasing consumer choice and welfare, and government effectiveness in maintaining high standards of environmental, consumer and safety protections.

- As noted on the Privy Council Office (PCO) website, "The job of regulators, then, is to weigh the advantages and disadvantages of every viable response to a situation that merits government intervention and to recommend regulation when it is the best alternative. This involves balancing a number of priorities such as public health and safety, environmental protection and sustainable development, economic efficiency and performance, national cohesion and international obligations."

- In a recent Regulatory Review of Canada (November, 2002), the OECD noted that:
  - Canada is described as a vigorous innovator in the areas of good regulatory governance
  - Canada's regulatory culture is open and good ideas from elsewhere are fed back into the system
  - Efficient regulatory policies and procedures, such as the regulatory impact statement, have resulted in a more market-oriented and transparent regulatory framework
  - Canada was also a leader in the dialogue that led to the creation of OECD regulatory best practice principles in the mid-1990's and the country remains at the forefront of regulatory development

- Federal, Provincial and Territorial governments are also engaged in various regulatory reform activities. Some of these activities include:

  - GoC 2002 *Speech from the Throne* - the "*Smart Regulation Agenda*" – includes the development of a regulatory framework agreement with the EU and the creations of the External Advisory Committee on Smart Regulation (EACSR) - This committee, whose members are drawn from several sectors, including the business community, non-governmental organizations and academic institutions, will review and recommend areas where government can redesign its regulatory approach to create and maintain Canadian economic advantages, while protecting the public interest
  - Saskatchewan Regulatory Reform Initiative seeks to fulfill a provincial government commitment to reduce the number of regulations by 25 per cent by the year 2006
  - Ontario Red Tape Commission reviews proposed Cabinet policies and regulatory measures that affect business and institutions, and intervenes on

behalf of business, institutions and members of the public seeking assistance with provincial red tape problems

- Government of British Columbia – Ministry of Competition, Science and Enterprise Deregulation Office seeks to fulfill the "New Era" commitment to reduce unnecessary red tape and regulations by 1/3 within 3 years

- Although much progress has been made to encourage regulatory usage of the NSS, efforts continue to increase regulatory 'comfort' with the voluntary standardization system.

Related Statistics:

- Principal concerns raised by key foreign investors in Canada – regulatory environment (31%), taxation and incentives (19%) and border issues (12%) - *(Policy Advocacy Report, Investment Partnerships Canada, March 2003)*

- Total Canadian federal regulations (2002): approximately 3,274 – *(SCC TFUNS Report, May 2003)*

- Total standards referenced in federal regulations (2002): approximately 1,525 – *(SCC RegWatch – http://www.scc.ca/online/regwatch_e.html)*

- Standards referenced in federal legislation from the four Canadian SDOs (CSA, ULC, CGSB and BNQ): 309 (20%) - *(SCC TFUNS Report, May 2003)*

- Non-Canadian standards referenced in federal regulations: 438 US standards (29%) and 275 international standards (18%) - *(SCC TFUNS Report, May 2003)*

Questions:

- In an atmosphere of regulatory reform and searches for innovative and effective ways to regulate, does the use of standards (national and international) and conformity assessment procedures by Canadian regulators (federal, provincial, territorial and municipal) represent an area of potential growth? How can NSS partners best promote the standardization-regulation linkage?

- How can proponents of standardization overcome regulatory hesitance / aversion to the use of certain standards and conformity assessment procedures? How can policy development / technical oversight / regulatory enforcement help stakeholders cooperate more effectively?

- Should NSS partners be in a position to respond to the final report of the External Advisory Committee on Smart Regulation (EACSR) expected in mid to late 2004?

- What are some other regulatory spheres in which standardization (standards development, conformity assessment and/or accreditation) could provide support to regulatory objectives?

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CITIZEN ENGAGEMENT: Information & Confidence

- In the wake of several crises (e.g. financial scandals, infectious diseases, safety shortcomings, etc.), public trust and confidence in large corporations and political institutions has declined while, at the same time, citizens and consumers are attempting to cope with and understand a myriad of new products (e.g. IT, GMOs, etc.), services (on-line businesses, international / multi-national corporations, etc.) and approaches (regulatory down-sizing, privatization, mega-mergers, etc.).

- Through the use of modern communications technology, governments and businesses are able to provide citizens and consumers virtually instant access to vast amounts of detailed information as well as offer numerous services via the internet. Although praised by many, this environment has also contributed to a type of 'information overload' and encompasses a variety of complications including competing product and service claims and concerns over personal data privacy and protection, identity theft, etc.

- Discussions surrounding variations of Corporate Social Responsibility (CSR) have become more frequent. A recent SCC Council Information paper summarized the CSR concept as follows:

  > Though there is no single, authoritative definition of corporate social responsibility (hereafter CSR) all of the definitions embrace the concept of a 'triple-bottom line' (TBL). The triple-bottom line extends the framework for measuring corporate performance beyond the traditional economic and environmental parameters to include the social dimension. 'Social dimension' refers to such things as, "business decision-making linked to ethical values, compliance with legal instruments, and respect for people, communities and the environment." CSR is a comprehensive set of policies, practices and programs, integrated throughout businesses' operations and decision-making processes which support this social parameter. Both the term used to capture the concept of 'CSR' and the exact definition used to express it is likely to evolve over time.

- The relationships amongst government institutions, private industry and civil society groups remain an important component of modern governance. From a standardization perspective, the institutions and partners that compose the NSS provide a unique environment for dialogue and action in many subject areas.

Related Statistics:

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- Major long-term priorities facing Canada – 2003 Communication Canada survey: health care, education, child poverty and the economy – *(Communications Survey, Fall 2003 – www.communication.gc.ca/survey)*

- Most influential in shaping CSR debate: Boards and CEOs (48.4%), consumers (40.5%), NGOs (38%), national governments (32%) – (CSR Magazine in Europe, June 2003 - http://www.csreurope.org)

- Number one source of consumer complaints in 2001: identity theft (42%) – *(U.S. Federal Trade Commission)*

Questions:

- Are there additional activities that NSS partners can undertake to increase citizen engagement and involvement in standardization processes?

- Are there more effective or innovative ways to present and/or offer standardization information to new and existing stakeholders and clients?

- Does the current composition of SCC Advisory Committees effectively reflect the needs and composition of the NSS? Are there areas / sectors / groups that should be included?

- Are there other 'civil society' issues that the NSS is equipped to engage in?