

STANDARDS DRIVEN CULTURE CAN MANAGE GLOBAL CRISIS BETTER



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PANDEMIC has completely shattered the lives of the consumers. Nothing remains the same, our preferences and our basic needs have been altered. What was least desired by us during our usual shopping spree before the onset of the pandemic has now become our most basic essential.

This sudden shift in needs and demand of consumers has its own repercussions as most of these "new essential products" fills up the market at a rapid phase, most often with least quality checks and enforcement, to keep up with the growing demand.

**" WITHOUT STANDARDS, THERE CAN
BE NO IMPROVEMENT "**
TAICHI OHNO

FAKE & COUNTERFEITS PROLIFERATING

Such rapid changes are already been seen across various products, most commonly in healthcare and cleaning products. Products like soaps, hand washers, toilet paper, tissues, wet wipes, face masks and other personal protective equipment, sanitizers and floor cleaners are flying off the shelves as it lands.

The never before seen rush for these products has encouraged the proliferation of their sub-standard and fake products. From personal protective equipment, face mask, and cleaning products to health and safety products, impostors are taking better advantage of the situation created by the pandemic. According to the Preventive Wear Manufacturers Association of India, almost 150 new manufacturing units have been set up in just three months in India during this pandemic, of which most are counterfeiting brands.

It has been reported that Interpol's global pharmaceutical crime-fighting unit is seizing dangerous pharmaceuticals worth over millions of dollars every month across various countries since the onset of the pandemic. Such illegal and dangerous trade is more rampant in Asian countries where standards and regulations are not that strictly enforced when compared to their western counterparts.

For instance, the Customs and Excise Department in Hong Kong seized consignments of counterfeit surgical masks bound for overseas, about 330,000 bogus 3M-brand N95 respirators, worth over 8.5 million of Hong Kong dollars very recently and the seizure was the third such big seizure in recent months.

Likewise, Indonesian Police raided an illegal facemask factory and warehouse in North Jakarta and found that the factory earned a profit of up to USD18,000 from selling their illegal products. In another raid on a warehouse in West Jakarta, the police seized 600,000 illegal facemasks. World over one could read such news reports of confiscated counterfeit face masks and fake medicines. Such an alarming situation is not just limited to developing economies or in Asia.



In April 2020, the Department of Homeland Security seized over 225 shipments of mislabeled, fraudulent, unauthorized, or prohibited COVID-19 test kits, treatment kits, homeopathic remedies, purported anti-viral products, and personal protective equipment.

US IMMIGRATION AND
CUSTOMS ENFORCEMENT

Now that everything had gone online, including education and work, across most parts of the globe, we could see an increased use of electronic gadgets. The small state of Kerala in India itself had seen a 400 percent increase in the sale of laptops. But a shortage of labour and social distancing norms is hindering the supply of these electronic products to the market and most recognised manufacturers are unable to either scale up production as well ensure uninterrupted distribution.

These limitations have now paved way for refurbished and counterfeit products to swell up and take over, putting consumers at peril. Smartphones and accessories worth lakhs were seized by the local enforcement officials during a raid in just two shops in India's capital city.

CONSUMERS NOT REALLY SAFE

So the consumers are not safe anywhere and their life and health are put at risk more than ever before after the onset of a pandemic. Consumers are more easily tricked by substandard products due to panic buying. The sudden steep in demand coupled with inadequate regulation of the market in most of the countries has resulted in the flooding of markets with both domestic and foreign sub-standard products.

Besides, loss of jobs and economic recession due to pandemic has considerably affected the consumer's purchasing power, and a majority of the population even knowingly purchase such low quality products that are seldom manufactured following standard procedures. Given that the pandemic appears to last even longer than expected, the stress on the supply chains and distribution channels will certainly further aggravate thus facilitating a fertile ground for grey market goods

ACT PROACTIVELY – MAKE STANDARDS MANDATORY

Weak and inconsistent regulatory frameworks of most countries to prevent, deter and punish offenders who manufacture or traffic substandard consumer goods has thus become more evident in the rapidly evolving circumstances of the pandemic.

Given this miserable situation, responsibility largely lies upon the government and enforcement officials to act proactively and enforce standards thereby protecting the interest of consumers. It should be remembered that substandard and counterfeit consumer products are most likely to reach consumers in situations where there is constrained access to quality and safe products, poor governance and weak technical capacity.

So there is an imperative need to regularly monitor the marketplace for verifying whether consumer products comply with the national or international standards and do not pose a danger to human health or safety.



Such stringent enforcement of standards can considerably help in reducing the threat the pandemic cause, though cannot aid in eradicating it. Good quality medicines, personal hygiene products and protective equipment's can do wonders during this time. But unfortunately, despite the crucial role that standards play in facilitating safe transactions, most countries have failed to give due importance to enforce them even more strictly than ever before.

In fact most developing and lesser developing economies do not have standards driven culture and whatever standards are there are hardly enforced or checked upon. There is an absence of strict regulations. These economies need to bring in mandatory standards for an even wider variety of products than at present.

Bureau of Indian Standards has more than 25,000 quality standards for different products and services but only around 150 products are under mandatory certification.



Likewise, in Philippines only 86 products come under mandatory certification and in China, almost 85 percent of the standards are voluntary with 15 percent coming under mandatory certification. Therefore, in most countries most of the products produced come under voluntary certification thereby encouraging production and distribution of substandard products.

Bringing products within the ambit of mandatory certification would substantially discourage the production and sale of substandard and fake goods. This will also promote the spirit of production and would push the domestic manufacturers of various products and services in line with international practices.

Apart from protecting consumers and instilling confidence in them, substantial growth in trade can be realised through effective management of standards, technical regulations and conformity assessment. More importantly, it can effectively curb the import of all sub-standard products that keep flooding the domestic markets. Such a move would play an important role in enhancing competitiveness and market access and help supply chains to be more transparent and secure.

While such a move would be beneficial to the consumers at large any swift action taken in this aspect would drastically affect the domestic manufacturers. Only a gradual introduction and promotion of mandatory standards is viable and the domestic manufacturers should be guided and trained effectively to strengthen their capacity to change and become equally competent to produce in line with international practices. Considerable trade growth can be achieved through better management of standards, technical regulations and conformity assessment.

Moreover, the WTO agreement on Technical Barriers to Trade encourages all member countries to adopt international standards and also move towards mutual recognition of their certification systems. This sounds more sensible and pertinent in this pandemic season where experts predict more such similar outbreaks in coming years. Countries need to learn from the current experience and brace themselves to take on future crises, if any, with ease. The establishment and enforcement of standards, therefore, not only becomes vital to raise the competitiveness of the industry but also promotes and ensures the global health and wellness of consumers.

For these reasons, viz. international trade, industry competitiveness, sustainable development, and consumer protection, **standards-driven culture** has become **pertinent** and a very **important** ingredient in the supportive infrastructure of a country so as to **manage the global crisis situations better.**