

QUALITY – A CRUCIAL DRIVER IN THE 21ST CENTURY

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Abstract

Quality-focussed economies gain a competitive edge in world marketplace. It was quality that allowed some countries to effectively outcome from crisis by providing support to manufacturers and protection of a market against hazardous and poor-quality products. Following them, Russia has embarked on formulating its national quality policy.

The paper presents main directions of the Concept of Russia's national quality policy (Concept) and its deployment at the national and regional levels. Considered are important contributions of regions having valuable initiatives and quality programs.

The approaches and resources being examined will allow Russia to successfully implement the Concept and to fill the domestic and global markets with competitive products and services.

In the 21st century, it is consistent quality that gives a nation a clear competitive edge in tough modern world markets.

Quality-focussed governments contribute to national quality programs or support quality award programs launched nearly in all advanced countries.

Such quality policy is being implemented in major part of leading global economies. In market environment, the governments back and stimulate development and production of high-quality products and services, on the one hand, and ensure protection of consumer market from dangerous and poor-quality products – on the other.

Today, such strategy becomes a priority for the Russian economy facing a dramatic crisis caused to some extent by non-competitiveness of a major part of domestic products. A home market is occupied by a large portion of products hazardous for human health and falsified products causing the budget short-reception of billions of roubles.

All these dissatisfies both consumers and investors thus engraving prospective for Russia's joining WTO and a situation in national social and economic environment.

Therefore, it is necessary to develop strategy of development of Russia. The government and the society should clearly define and formulate their attitude to such issues as safety, quality and competitiveness of products, and also protection of the national consumer market.

Last years Russia has undertaken a number of important steps in improvement a legal basis. Enhancing quality and competitiveness of domestic products is one of major state-

ments laid down in the Concept of National Security of the Russian Federation.

However measures undertaken are insufficient . It is necessary for our country to have general effectively working national quality policy.

On the initiative of GOSSTANDART of Russia, the RF Government has started a process of development of the Concept of Russia's national product / service quality policy (Concept), involving 24 ministries, 4 regional authorities and a number of public organizations, to be terminated by December 2000.

It will be the first in Russia's history document formulating national quality policy with priorities placed on economic, social, military, international, information and ecological areas

It is aimed to:

- achieve competitiveness of products and services in the domestic and world markets and integration in world economy;
- satisfy constantly growing needs in high-quality and safe products and services, improve an employment situation, economic prosperity and national quality of life;
- ensure quality of military engineering and arms to increase nation's defensive capability;
- enforce Russia's prestige as economically advanced and strong military nation;
- develop innovative information technologies and domestic information industry;
- solve environment-related problems provide national ecological security.

The Concept covers four basic directions of National policy:

First; *disseminating ideas and stimulating improvement of quality*

This means, that a key national idea of achieving high quality of products and services through introducing quality culture and quality award programs is to be promoted by all mass media, both central and regional, public and private.

The second direction — *establishment of effective quality systems and use of up-to-date quality management techniques* It covers training, consulting, establishing and certification of quality management systems.

Domestic and world experiences, establishment of quality systems enable enterprises to raise efficiency of their performance, to provide consumers with products and services meeting their needs and legislative requirements.

The introduction of effective quality systems on the basis of up-to-date technologies and quality management techniques, on research achievements and best-in-class practices is a prerequisite for enterprises to compete in the marketplace.

Today, certification to ISO 9000, QS 9000 and other similar standards is a strict requirement for conclusion of contracts or admission of the enterprises to tenders. Therefore, the Concept emphasizes necessity to provide government support of these activities, ensure high professionalism of certification providers and gain international recognition of domestic quality systems certification. The government should promote involvement of Russian certification bodies and testing laboratories in the international and regional unions, agreements, accreditation schemes.

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To stimulate introduction of effective quality systems, the government will follow *policy of placing government orders* at enterprises having quality system certificates issued by the Russian certification bodies.

The introduction of effective quality systems involving people and managers of all levels demands high professionalism, knowledge of quality management techniques, based on advanced domestic and foreign experience, and international standards.

In this area, consistent quality training and education systems are to be founded to run quality courses at factories, secondary and higher schools, thus providing industries with quality professionals and disseminating quality-related knowledge. This process will go along with publishing special literature, journals and aids.

It is necessary to establish a network of qualified consulting organizations to assist enterprises in introduction of ISO 9000 quality systems, TQM principles, innovative quality management techniques. To stimulate quality assurance efforts of small businesses, the federal and local authorities are to bear some consulting and quality system expenses

The next direction of National policy – *provision of enterprises with organizational and engineering environment to rise quality of products and services*. This covers standardization, metrology, development of an information infrastructure and information services, as well as protection of a market from substandard and falsified products.

In a field of standardization, federal authorities should focus on: unification, interchangeability and compatibility, reflecting up-to-date knowledge and innovative technologies. Standardization should ensure following international agreements and contracts, including those with CIS, to facilitate integration of the Russian economy in world environment, aim at harmonization of national standards with international ones.

It is necessary for Russia to take part in development of the international standards being of interest for national economy. In a field of international standardization, Russia will be aimed at entering the world market through incorporating appropriate norms in international standards, basing on advanced domestic developments and technologies, and on those domestic standards, which are widely applied in the Russian market.

In a field of metrology, a policy should strive to meet needs of all industries, including defense and social sphere, in measurements traceability with a help of state-of-the-arts reference base of Russia, a unit transfer system, infrastructure and facilities of the State Metrology Service.

An important aspect is an information infrastructure and services, integration in an international system of information technologies. Under the RF Information Security Doctrine, there should be provided:

- databases on legislation related to quality of products and services in Russia and abroad;
- their availability (on commercial and / or noncommercial basis) to domestic enterprises and organizations;
- development of up-to-date information technologies.

Today, of special importance is *protection of a consumer market against the substandard and forged products*.

This is caused by the following:

- persons operating in manufacture and trade preferring fast profit to quality of goods and services;
- non-including in most contracts requirements to quality and safety of products, as well as to conformity assessment
- absence of the effective barrier to penetration of non-certified products
- loss by a significant part of goods, including those certified, of their safety and quality because of non-observance of transportation and storage conditions on their way to market;
- selling dangerous and forged products imported illegally or with infringements of customs regulations;
- ineffective government quality control and surveillance due to lack of government funding and inspectors' security.

Basing on results of the sociological survey held in October 2000 to examine the Russian market environment and customer feedback, the Concept is placing a priority on market protection by government regulation.

This regulation should be based on a principle of inevitability of punishment for substandard products along its way from a manufacturer to a consumer.

To implement this, it is necessary to:

1. incorporate in the laws statements on responsibility of the subjects of economic activity for quality of products at each stage of its movement: manufacture - distribution - sales.

Within a framework of this direction, it is planned to develop a federal law on protection of the Russian market from the poor-quality and forged goods.

2. divide responsibility between federal authorities engaged in government control and surveillance, and coordinate their performance.

This will allow to elaborate the uniform approach to government control and surveillance, on the one hand, and to eliminate redundancy of control from federal authorities, on the other.

It is planned to develop a federal law on organization and procedures of the government control and surveillance in national market place stating rights, responsibilities and terms of funding

3. Balanced combination of the different forms of government regulation, such as inspection, surveillance, mandatory certification, licensing etc. with priority placed on prevention of penetration of poor-quality (hazardous) products to the market.

It is planned to submit to the State Duma the draft Federal law “ On conformity assessment ”, providing more flexible procedures for conformity assessment (a manufacturer's conformity declaration) and introducing a national mark of mandatory conformity assess-

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ment.

This government market regulation combined with measures aimed at putting legal shields for the market players from “shadow” economy, and measures aimed at providing self-regulation of the market to prevent and suppress illegal circulation of the goods (development of voluntary certification systems within the framework of professional communities, establishment of professional communities - associations, guilds etc.).

It is going without saying, that the Concept should be implemented along with national social and economic policy conducted by the Government.

It is known, that the long-term social & economic policy of the RF Government is to be focussed on key industries, crucial for national economy, and providing competitive edge.

Taking into account different starting conditions at many enterprises, the government is going to support development of these branches and sectors by investments, credits, fair import quoting, funding through the special federal programs, innovations and other incentives.

When choosing enterprises and organizations for support, a federal authority should take into account their capability to ensure product competitiveness for a period of government support.

The enterprises, in turn, should develop programs of enhancing quality and product/service competitiveness for this period.

The federal target programs should explicitly formulate quality tasks to ensure competitiveness of products/ services, through standardization, metrology and resource backing, effective quality systems and, if necessary, certification.

The important contribution to the Concept should be made by regions, recently having demonstrated valuable initiatives and programs on quality improvement.

The Moscow Department of Science and Industrial Policy has developed the General Moscow Industry Program on 2001-2003. It incorporates a sub-program “ Quality and Certification ” developed by the Centre for certification and Testing “ Rostest - Moscow ” to ensure quality and competitiveness of domestic products at home and abroad.

In Volgograd Oblast, there has been adopted the General Program of enhancing competitiveness of the enterprises through quality systems . When developing this program, the regional authority and the public were assisted by the federal authorities, including GOSSTANDART of Russia, and Academy for Quality Problems and many other organizations.

Fruitful quality software development is booming in Yaroslavl Oblast, having long-lasting partnerships with GOSSTANDART of Russia. Its representatives, basing on their regional experience, contributed to the Concept, when working in the ad hoc group.

Nizhniy Novgorod, Tomsk, Samara oblasts, Krasnodar Kray has also regional quality programs developed on the basis of local specific features, experience and traditions. Vigorous efforts are being undertaken in Saint Petersburg and Leningrad Oblast with

contribution of the Centre for Testing and Certification – St.Petersburg (Test – St. Petersburg) having recently celebrated its 100th anniversary. Of special popularity is annually held there the All-Russia exhibition “ Russian quality traditions ”.

These and many other valuable regional quality-related experiences will form a basis for fulfillment tasks laid down by the Concept for regional authorities and the public. According to the policy , the government will support development of quality policy and programs of their deployment in federal districts and regions of Russia.

It is important that the regional programs support the regional enterprises and organizations producing products / services crucial for the state, industries and regions.

The Concept also stipulates government quality administration policy. prescribing federal authorities to :

- set objectives, tasks and functions aimed at improvement quality of products and services;
- set quality-related objectives, tasks and functions in the documents regulating their performance;
- deploy quality-related actions in the current and perspective plans;
- develop (if necessary) branch target programs on improvement of quality of products and services.

In addition to the Concept, the basic proposals on the plan of its deployment have been prepared for submission to the Government,. Consistent with these proposals, the draft action plan for 2001-2002 is being developed: to provide awareness of a role of quality in meeting national interests, to widely stimulate establishment of effective quality systems, to run training in quality management techniques, standardization, metrology, information technologies and other fields covered by the national policy.

To coordinate the Concept-related actions, the RF Government is planning to establish a council headed by one of its vice-premiers.

Implementation of quality policy needs a legal basis. Thus, of great importance is development of the RF law on quality and safety of products and services explicitly providing the relevant terminology and stipulating actions of persons and authorities concerned.

Implementation of the National Quality Policy needs involvement of federal authorities, federal entities and public organizations.

It is necessary, that all federal authorities determine their objectives and tasks consistent with the National policy and develop the appropriate action plans for coming two years. The necessary changes should be incorporated into the Federal Bodies Statute.

The regions are to develop their own policies and programs, coordinated by local authorities, with measures for regional support of local products and services being of priority both for the nation and regions.

The developers of the Concept strongly believe that the National quality policy will be actively supported by such powerful and ramified public organizations as the Commerce & Industry Chamber of Russia.

The draft Concept has been discussed and approved at two conferences: the 5th Interna-

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tional Conference “Development through quality. Theory and practice”, held in Tolyatti in October 25-27, and the World Quality Day’ 2000 Conference, held in November 9-10.

In our country, there are all necessary resources to implement the Concept, thus enabling Russia to successfully outcome from the economic crisis, raise a life standard, and fill the market with competitive and safe domestic goods.