Key Takeaways

- **Standards are the hidden foundations of prosperity.** They are the shared rules that make plugs fit sockets, medicines work safely, and digital systems connect seamlessly. Standards embody collective knowledge, build trust, and enable economies to function efficiently. When they fail, markets fragment; when they work, prosperity follows.
- **For low- and middle-income countries, standards have never mattered more.** Nearly *90 percent of world trade* is now shaped by nontariff measures, most linked to standards. From digital systems for payment to charging stations for electric vehicles, new technologies can deliver economywide benefits only when standards exist. Mastering them can enhance national competitiveness and protect against technological, financial, and environmental risks.
- **There are three types of standards.** *Measurement standards* ensure comparability and accuracy, *compatibility standards* enable interoperability, and *quality standards* define acceptable performance.
- **Most standards start as voluntary efforts, but governments make them count.** Private actors draft voluntary standards to address market or social needs. Governments amplify them by convening stakeholders and embedding critical standards into regulation when public safety is at stake.
- **Standards are a versatile tool of economic policy.** Governments can use voluntary standards to drive innovation and give technical guidance on compliance with regulations. They can also make them mandatory when uniform compliance is necessary to protect health, safety, or the environment. In addition, governments can deploy standards as an instrument of industrial policy without reference to specific technologies or firms.
- **Ambition must match capacity.** Countries should follow a trajectory that takes into account their stage of economic development, first *adapting* international standards to local realities when needed, then *aligning* with them as institutions mature, and actively participating in *authoring* standards in priority areas as capabilities grow. Rwanda's Zamukana Ubuziranenge ("Grow with Standards") program exemplifies this path, helping micro, small, and medium enterprises progress step by step toward compliance with international standards.
- **Investing in quality-enhancing infrastructure makes standards work well.** The system of testing, certification, metrology, and accreditation in a country is what makes standards effective. Such systems are expensive to build and easy to neglect. Countries should start with public provision of quality-enhancing services in key sectors, then gradually open up these services to private participation. In many places, capacity gaps are stark: Ethiopia has fewer than 100 accredited auditors for compliance with standards of the International Organization for Standardization (ISO), compared with 12,000 in Germany.

- **Adoption pays, but high costs and complexity hold firms back.** Costs of compliance and certification can amount to as much as *US$425,000 per firm* in low- and middle-income countries. Simplifying certification, recognizing regional equivalence, and reducing overlapping regulations can break the low-quality trap in which many of these countries find themselves. Harmonization and mutual recognition can dramatically cut trade costs and unlock countries' export potential.
- **Standards make services in health care and education work better.** Standards make efforts in these areas reliable, by ensuring that doctors are properly trained, vaccines are effective, and medicines and schools meet quality benchmarks. In health care, 60 percent of deaths in low- and middle-income countries stem from conditions that could be prevented or treated with high-quality care. Simple process standards like childbirth checklists for hospitals have reduced maternal deaths by nearly 47 percent in India. In education, clear standards for teaching quality helped Ceará, Brazil, lift literacy in early grades to near-universal levels within two decades of the standards' implementation.
- **Environmental and technological standards are essential for managing global risks.** Today, 99 percent of people worldwide breathe dirtier air than is considered safe under World Health Organization (WHO) guidelines, costing lives and productivity. Complying with these guidelines could add nearly two years to global life expectancy. Still, one-size-fits-all standards can burden governments that have low capacity for enforcing them. Tiered, affordable approaches, paired with monitoring and enforcement, are key to a just transition to a low-carbon economy.
- **Governance standards make governments more effective.** They are the hidden wiring that turns discretion into discipline in the public sector, now 373 million workers worldwide. Setting clear standards for hiring, pay, and procurement boosts transparency and efficiency.
- **To make standards a springboard for development, countries should do the following:**
  - Create incentives for firms to upgrade the quality of their exports rather than imposing unrealistic mandates.
  - Adapt and sequence standards to align with the national capacity to enforce them.
  - Participate actively in international forums for setting standards.
  - Invest in and share quality infrastructure resources regionally.
- **The global community, for its part, must do the following:**
  - Support participation by low- and middle-income countries in developing international standards and design tiered standards that reflect diverse capacities among countries.
  - Deepen regulatory cooperation and reduce fragmentation.
  - Develop credible standards for emerging technologies and actions to prevent or mitigate climate change.
  - Expand research and data on the economic and social impacts of standards.
- **Standards matter for development.** Countries that take them seriously are getting ahead. Countries that ignore them risk falling behind.