17th Meeting of the UNECE MARS

Role of Standards in Market Surveillance

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China Jiliang University

8 July 2019 Moscow, Russia
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The Market Failure by Quality Issues

Avoid Shoddy LED Products
For Safety

They won’t Findus in here!

FIGHT FAKE PRODUCTS
Theoretical Analyses

Asymmetric Information about Quality

Unbelievable Information about Quality

Market Failure
The Market for "Lemons": Quality Uncertainty and the Market Mechanism
George A. Akerlof

Quality Standards of Products Can Eliminate Quality Information Asymmetry
Building Trust-The Conformity Assessment Toolbox, ISO & UNIDO

Trust Can Eliminate Quality Information Asymmetry; Certification Provides Trust.
Certificated Mark is the Signal to Transfer Quality Information

Mechanism to Eliminate Market Failure by Certification

Certificate Marks Recognized and Trusted by Consumers

1. Products
2. Inspection
3. Certificate Mark
4. Purchasing

Company
Third party
goods
customer

Certificated Mark is the Signal to Transfer Quality Information
2. Empirical Analyses
Supervision Modes

Certification
- Compulsory
- Voluntary

Sampling
- Markets
- Factories
Certification Modes

Compulsory

Law

Technical Regulations

Certificated Bodies

Product Certification
Compulsory Certification Cases

Law

Resolution on new approaches to technical coordination and standards (85/c136/01)

Technical Regulations

20 CE Marking Directives

Certificated Bodies

More than 2000 Notified Bodies

Product Certification

All products related to safety must bear CE Mark
Compulsory Certification Cases

- **Law**: Regulations of the People’s Republic of China on Certification and Accreditation
- **Technical Regulations**: 161 Mandatory Product Certification Management Regulations
- **Certificated Bodies**: More than 208 Certified Bodies
- **Product Certification**: 671758 CCC Marks Have Been Issued

CCC Mark

- More than 208 Certified Bodies
- 671758 CCC Marks Have Been Issued
Certification Modes

Voluntary

Certification System

Standards

Certified Bodies

Product Certification
Voluntary Certification Cases

Certification System

Standards

Certified Bodies

Product Certification

UL Conformity Assessment System

More than 1250 UL Standards

105 Labs in China

20,000 UL Marks Issued in China
Empirical Study
The Effectiveness to Eliminate Asymmetric Information of Product Quality by Certification

The Effect on Avoiding the Market Failure
Sampling Modes

Sampling

Law

Markets

Factories

Standards

Enforcement Officers

Inspection Labs
Sampling Methods

**Principle:** protecting consumer benefits

\[ \alpha > \beta \]

**Sampling Standards**

- GB/T 16306-2008
- GB/T 6378.4-2008
- GBT 2828.4-2008
- GB/T 2828.11-2008
- GB/T 28863-2012
Sampling Cases

Law

Standards

Enforcement Officers

Inspection Labs

Product Quality Law of The People's Republic of China

2089 Mandatory Standards

More than 100,000 Law Enforcement Officers

More than 5000 Inspection Labs
### National Sampling Inspection Results in 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sampling Batches</td>
<td>28771</td>
</tr>
<tr>
<td>Non Conformity Batches</td>
<td>2952</td>
</tr>
<tr>
<td>Non Conformity Rate</td>
<td>10.3%</td>
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</tbody>
</table>
3. Inductive Analyses
Issue 1

Certification Marks are too many for people to recognize them all.
Problems
Problems

Issue 1

Certification Marks are too many for people to recognize them all.

Cognition degree of consumers about Certification Marks is at a low level.
Measures

Issue 1

To reduce the number of certification marks by integrating the current certification marks

To strengthen standardization education
Conference Information

B&R University Alliance
for Standardization Education and Academics

107 universities from 32 countries
are the members of the Alliance

Conference Address: Xian, China
Date: 30, October-- 1, November, 2019
Fax:+86 571 8683 6028
E-Mail: hlefu@cjlu.edu.cn; ld@cjlu.edu.cn
Contact persons: Mr. Huang Lefu; Ms. Lu Di
Problems

Issue 2

Sampling

Measure

MARKETS

FACTORIES
Standards are not the more the better; the quality of standards is important.
Principle 1:

to develop standards from perspective of protecting consumer benefits.

Principle 2:

to develop standards from perspective of sustainable development.
Standards to Boost the Goals
Thanks for Your Attention!

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