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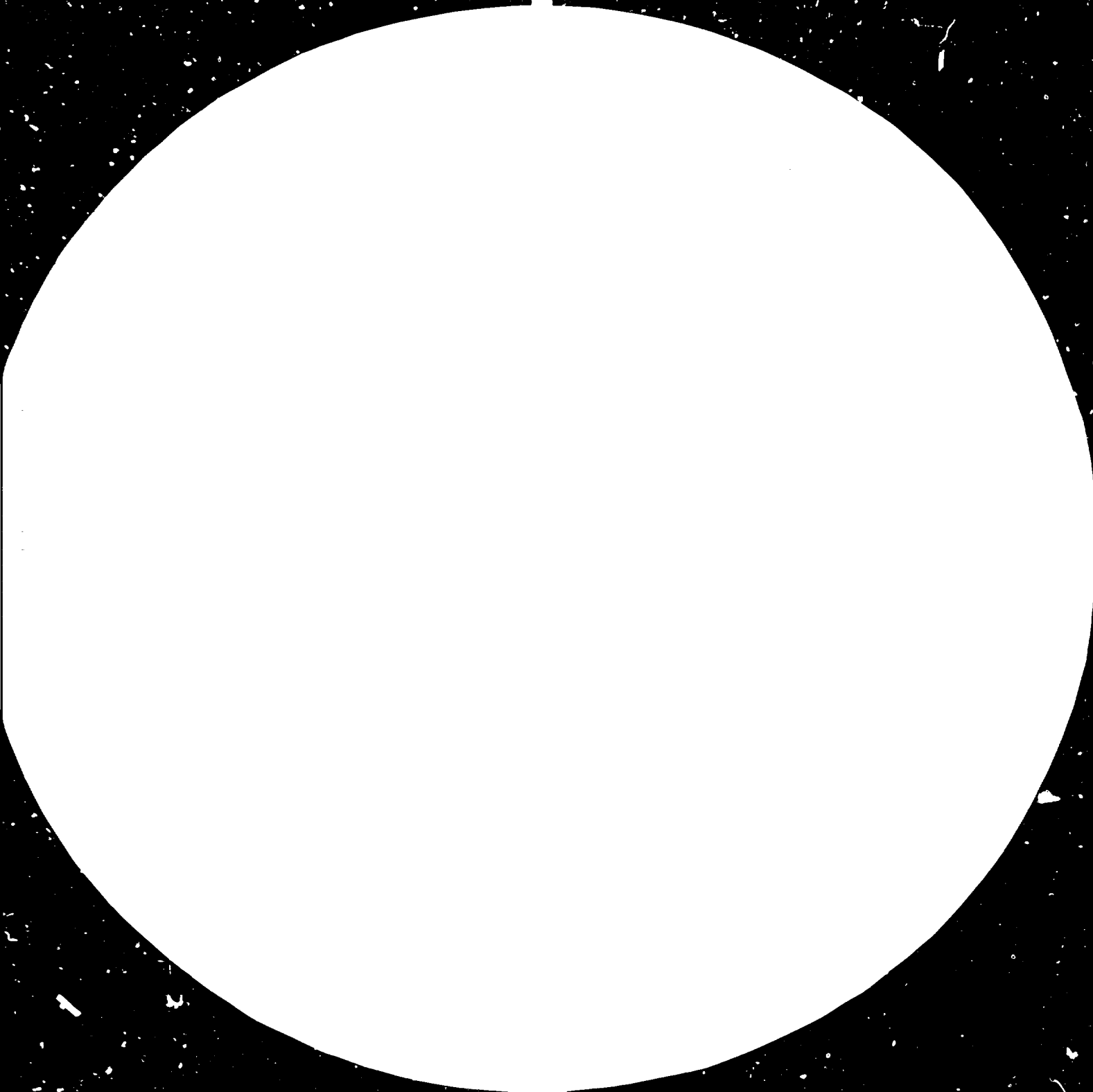
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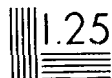
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THE SYSTEM OF ASSURANCE OF THE QUALITY OF PRODUCTS AND SERVICES
ON THE MARKET OF THE SOCIALIST REPUBLIC OF YUGOSLAVIA*

prepared by

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* The views expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO. This document has been reproduced without formal editing.

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1. Introduction

The post-war development of the SFR of Yugoslavia has been very intensive. The growth of the standard of living of all categories of the population represents one of the most important characteristics of this development. In the period of 1953-1973 alone the social product has increased at an average of 7 %, while the personal consumption has grown at the rate of 6,9 %. The volume of personal consumption has increased by 3,8 times.

Dynamic development of the economy in the self-managing SFRY, in the period up to 1985 will enable the standard of living of the population to grow further. It has been envisaged that around 1985 the personal consumption will be 2,5 times higher than in 1970, thus enabling further changes in the structure of the standard of living.

Naturally, parallel with the realization of these aims, measures have been taken with the view to accelerating adjustment of the volume and structure of material production, to this dynamic growth, as well as for the purpose of the promotion of products and services and the organisation of the functioning of the system of quality assurance. The bases of this work have been determined by the Constitution of Yugoslavia, the Associated Labour Act, the Standardization Act, and other laws and regulations passed on the basis of the Constitution and these laws.

Likewise, a significant role in making and following the system of quality assurance is played by consumers' organisations and socio-technical organisations dealing with the problems of promotion of products services quality in Yugoslavia.

2. The concept of quality assurance

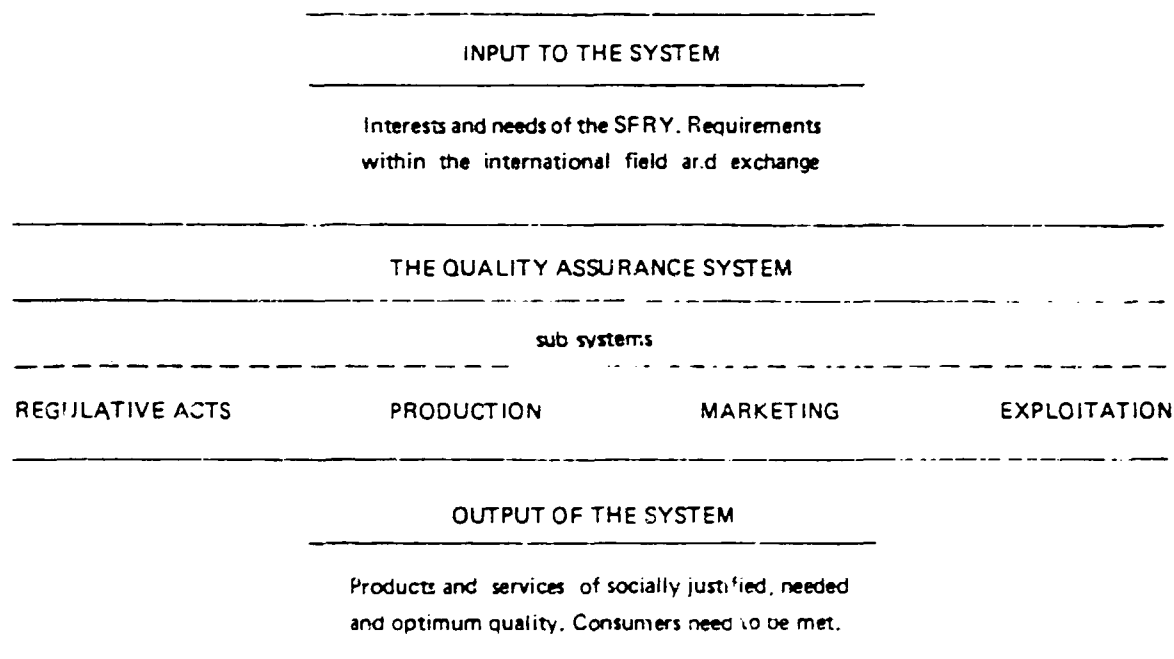
The concept of quality assurance of products and services in the SFRY, meets the needs and possibilities of our society. Its aims are as follows:

- definition of socially justified quality for some branches of production, product groups, or products based on the possibilities of our country: scientific, technical, economic, political; on raw materials, on personnel, etc;
- developing and designing, as well as marking, on the basis of socially justified quality, products and services of optimum quality, which will meet the needs of consumers and also secure a continual augmentation of effective functioning (permanent extension of reproduction) of the organisations of associated labour;
- preventive inspection of the products and services in the organisations of associated labour, in the process of manufacturing with the view to effective undertaking of corrective action, and to reducing losses due to low quality,
- inspection and supervision of products and services in marketing, prior to their usage or exploitation, with the view to preventing the use of products which are not in conformity with the prescribed requirements, specially of those products whose usage may affect the safety and protection of the lives and health of people, the natural and work environment, state security, valuable material property, consumers' interests and the like, alongside inspection costs, the needs of society and economic effects;
- protection of consumers' interests, both individual and organized, against the low quality of products

in exploitation.

The concept of the system of quality assurance, with regard to the above stated aims, has been defined in such a way as to comprise in itself four sub-systems: regulative acts, production, marketing and exploitation.

For its successful functioning the information system has been provided at all levels, from its input to its output, as well as within the system as to enable the effects of its actions to be analysed. The basic elements of this system are illustrated on the following drawing:



Input data is obtained on the basis of the interests and needs of the SFRY, and are transferred through the other systems acting within the quality system (policy, planning, market, prices, science, development, etc.), as well as on the basis of the requirements at the international level or obligations of our country regarding foreign countries or partners.

The position of the system has been kept in constant activity performed by single sub-systems for the purpose of ensuring the projected results on the basis of input data and actions within the system.

Products and services of socially justified quality, of a certain level which satisfies the consumers, and of optimum quality from the standpoint of production, are the output of the system.

3. Quality assurance of products and services in marketing

Quality assurance and conformity of products with established quality characteristics is one of the basic obligations of manufacturing and trade organisations of associated labour. This obligation has been determined by the Standardization Act, and regulations and standards passed on the basis of this law. An organisation of associated labour is bound, when performing its activities (designing, construction and technology during production and in marketing) to follow the prescribed quality characteristics and to carry out quality control of its products and services.

An organisation of associated labour which markets the product, is bound, prior to doing so, to check whether the product corresponds to the prescribed conditions and requirements. The same obligation is imposed on an organisation of associated labour dealing with imports.

All these tests of the product for the purpose of checking its quality characteristics may be carried out by the producer itself (by internal control of the product quality) or by another organisation of associated labour registered for that activity and having the corresponding equipment and experts available.

The competent inspection body checks whether the said obligations have been fulfilled during production and marketing by checking the documentation as to the performed verification on the conformity of the quality characteristics for such a product. It should be underlined that in this case marketing means also marketing between the basic organisations of associated labour within the same working organisation.

On the basis of the Standardization Act, the application of Yugoslav standards is not compulsory. A standard becomes compulsory only when a regulation on its compulsory application exists.

Deviations from Yugoslav standards and quality norms have been prescribed by the Standardization Act, under certain conditions and with permission granted by the Federal Institute for Standardization. However, this permission does not discharge the organisations of associated labour from their obligations of performing quality control and control of the conformity of the product with the determined characteristics, since in this case the products are checked with the view to establishing to what respect and to what degree the deviation is, and whether it is within the permitted limits.

Deviation from the regulations on technical norms is not permitted by the Standardization Act.

Control of products and services in marketing has many purposes:

- to assure quality at minimal control costs; in that manner to provide security to buyers (in industry, trade, organized and individual consumers), regarding the exploitation value of the products and services;
- to protect domestic industry and domestic consumers against the import of the low quality goods, by whose disloyal competition the power of our manufacturing organisations is reduced;
- to facilitate domestic and international marketing by unification of the methods and control procedures;
- to eliminate technical barriers (non-customs barriers) on international marketing;

Due to the above stated, in the system directing quality, the sub-system of performing marketing control has a very important role. Its initiation is in the phase of production completion, prior to the producers' products and services being put on the market; it proceeds with the control of the same ones in marketing.

By quality control of the products placed on the market, the problem of assurance and inspection of the product quality has also been regulated. The products may be marketed i.e. be used only if provided with a certificate, which means that certification is compulsory. Apart from certification, the quality mark and comparative tests regulated by the Standardization Act also play an important role in the sub-system of quality assurance in marketing in order to protect consumers with regard to quality.

3.1. Obligatory certification

Obligatory certification in our country should primarily solve the problem of supervising the product quality and services in the cases that the obligation of certification performance has been prescribed by regulations

regarding materials, products, plants, buildings and the like.

According to the Standardization Act, obligatory certification implies the procedure of establishing the conformity of the product quality characteristics, with the prescribed quality characteristics, with the view to issuing a certificate and the issuing of the certificate itself, under the conditions and in the manner determined by the Standardization Act, and by the regulations passed on the basis of this law.

Obligatory certification can be prescribed in order to secure technical and structural safety in production, construction and in the exploitation and execution of works; safety and protection of the lives and health of people, publicly owned resources, and citizens property if demanded by the interests of National Defence, or with the view to checking up the prescribed characteristics of the product quality.

The product quality characteristics which are subject to analysis or testing, the procedure and manner of taking samples, the way and methods of making analysis, i.e. testing and the way of submitting reports on the testing and the results of the tests, with the view to issuing certificates, are determined by Yugoslav standards, technical norms or quality norms or some other regulations passed by the Head of the Federal Institute for Standardization.

A certificate is a document issued by the Federal Institute for Standardization, or by an organisation authorized by it on the basis of reports concerning testing and the results of the tests of a product, which certifies that the product has been tested in the prescribed way and that it fulfils the prescribed conditions and meets the requirements as to quality characteristics.

From the previous definitions determined by the Standardization Act arises the need for:

- the existence of regulations, standards, norms, specifications, and the like, which define the need and procedure of certification;
- the existence of an organisation of associated labour which fulfils the prescribed conditions regarding the obtaining of authorization for issuing a certificate and performance of certification;
- a government body (the Federal Institute for Standardization) which grants the authorization to the organisations of associated labour to issue a certificate;

The procedure of issuing a certificate is as follows: 1) an organisation of associated labour dealing with testing, if interested in issuing the certificates, submits a request for authorization to the Federal Institute for Standardization; 2) the Federal Institute for Standardization nominates a commission whose task is to check the acceptability of the organisation of associated labour with the view to issuing certificates on the basis of the prescribed criteria; 3) the commission submits a report to the Federal Institute for Standardization; 4) the Federal Institute for Standardization, on the basis of a positive report, grants to the organisation of associated labour, the authorization for issuing the certificates with a note stating the products, material or equipment involved, and according to which standards the authorization has been granted; 5) the authorized organisations for issuing the certificates, at the request of the producers, trade, importers etc., performs the control of materials products etc., according to all characteristics and methods prescribed by standards and regulations; and makes detailed and official reports on all tests; 6) an organisation authorized for the performance of certification collects and studies all the results of the test, checks whether the required testing has been carried out, and whether the results are satisfactory; issues and certifies the certificates.

Certificate users have the right and obligation to mark the tested products, materials and the like, either with a certification mark on the products themselves or as an accompanying document to the product, on packaging, or by any other appropriate manner. The certification mark (the mark of conformity with the standards and regulations) designates that the products have been subjected to the certification procedure and are provided with a certificate.

Yugoslav Institution for Standardization performs permanent surveillance on work of authorised organisations for testing and is entitled to cancel authorization, if the organization doesn't follow the established rules.

3.2. The JUS quality mark

The JUS quality mark in Yugoslavia is based on the principle of voluntary usage, and its primary task is on one hand to stimulate the producer to attain higher quality of products and services, and consequently the possibility of better placement of the products at an appropriate price, and on the other hand to stimulate the trust of consumers in the quality of the product with the quality mark.

The essence of the JUS quality mark is in the fact that the products, services and works, which fulfil the specific conditions as to the quality prescribed by Yugoslav standards with non-obligatory application, can be marked with the JUS quality mark under the conditions and in the manner determined by law.

The products marked with the JUS quality mark, are subject in production and marketing, to continual inspection, as to the conformity of the products with the corresponding Yugoslav standards for these products, as well as with special standards with the view to obtaining the quality mark.

The scope, frequency and subject of the inspection in production and marketing of the product, the procedure and manner of taking samples, the way and methods of making analyses, or tests with the view to establishing the conformity of the products with Yugoslav standards are determined by Yugoslav standards.

Continual inspection of the conformity of the product quality with special standards is performed by an organisation of associated labour authorized for certification.

The right to mark the product with the JUS quality mark is granted on the basis of permission by the Federal Institute for Standardization. The permission is granted by the Federal Institute for Standardization on the ground of a written request of the organisation of associated labour concerned, and for the products for which it has been established that they possess the prescribed characteristics of the quality determined by Yugoslav standards and if the following conditions have been fulfilled:

- if the Federal Institute for Standardization has established that the organisation submitting the request can attain and maintain in production the level of the quality prescribed by the Yugoslav standards with regard to the production equipment, the organization of the production process, the expert qualifications of the labourers and other conditions, and

- if the organization submitting a request, undertakes an obligation in a written form to apply in all respects, the corresponding Yugoslav standards in the production of that product, and enable unhampered inspection of the product.

3.3. Comparative tests

The Standardization Act prescribes that comparative tests of the products and services of the same kind and purpose, with the view to estimating the characteristics of the quality and making the results of such tests publicly known, or for the purpose of public awards given to the producer or the product estimated to be of the best quality on the ground of such tests, can be made at the initiative of the organizations of consumers, under the conditions and in the manner determined for testing certain products by means of the regulations on Yugoslav standards, technical norms or quality norms.

Laboratory tests of the product with the view to comparative testing are made by the organization of associated labour which has been registered in Yugoslavia for performing adequate activities, and which fulfils the prescribed conditions, and is authorized by the Federal Institute for Standardization, whereas the tests by means of testing and organoleptic methods are made by the commission of the comparative tests' organizers.

By such a decision of the Standardization Act, the possibility that some organisations on the ground of their own criteria and internal rules, make comparative tests, give rewards, etc. is eliminated.

4. Obligation concerning the quality control of the products and services in marketing

Organizations of associated labour are bound to provide the products to be marketed with adequate documents and data if prescribed by the Standardization Act and the regulations passed on the basis of this law.

Industrial products with a long term of exploitation, which is conditioned by special technical properties and by the way of usage and maintenance of the product, can be marketed only if provided with a guarantee sheet, technical directions and the list of authorized servicing workshops.

The guarantee sheet, technical directions and the list of authorized servicing workshops are issued by the organization of associated labour which has made the product, whereas for imported products they are issued by the importer or the agent of a foreign firm.

The guarantee sheet is bound to contain the following: 1) data on the product and on the duration of the term of guarantee; 2) a statement by the organization issuing the guarantee that the product will function correctly within the term of guarantee if the directions for handling are applied; 3) a statement by the organization issuing the guarantee that servicing maintenance and necessary spare parts for the product will be secured within the term of guarantee; 4) a statement by the organization issuing the guarantee that they will secure, within the term of the guarantee, at their own expenses, including the fares and cost of the transfer of the product, the elimination of failures or shortcomings of the product within a reasonable period of time, or that they will, at the request of the buyer, replace the product which is out of order with a new product, if the repair has not been made within the term determined; 5) the firm (the name) and address of the organization issuing the guarantee, the firm (the name) and address of the organization of associated labour or the shop that has sold the product and the signature of the person in charge.

For industrial products intended for immediate consumption, the term necessary for elimination of failures or shortcomings within the term of the guarantee shall not exceed 45 days.

Technical directions shall contain technical data which are of some significance for correct actuation of a machine, elimination of trouble and failures, supply of spare parts, warning about possible danger when using a product, if any exists, as well as directions for elimination of such danger; then, directions how to handle the product correctly when using it.

For industrial products with a long term of exploitation, servicing and spare parts must be secured within the time which was foreseen by the producer to be the duration of the product under normal conditions of use, alongside application of the direction provided for handling, as from the day of retail sale, and for the products for which a guarantee is compulsory - as from the day of the expiry of the term of guarantee. Securing servicing and spare parts is an obligation of the organization of associated labour which has made the product, and for imported products it is an obligation of the importer, or the agent of a foreign firm.

Declaration of the products implies a list of data on products which are of some significance to the

buyer, the data on the outer wrapping, the original packaging, brochures, labels, flaps, or in any other way, on the product itself or accompanying it, especially data such as: the name of the product, the trade name or mark of the product if one exists, data on the producer, data on the composition and characteristics of the product quality, the manner of use and maintenance of the product, the term of use or the term of duration of the product and the like, as well as the marking of the products and works. By means of Yugoslav standards, technical norms or quality norms, or some other regulations passed by the Head of the Federal Institute for Standardization, products are determined which can be marked only if they have been provided with a declaration in the prescribed way, or marked, coded, or provided with a note stating their properties and characteristics.

5. The assurance of performing the quality control of products placed on the market

According to the Constitution of the SFRY, the Federation secures through the federal bodies that federal regulations are carried out in those fields which are of general interest for the whole country, and with reference to it, arranges and assures the inspection of the application of standards, technical norms, quality norms, quality marks, marks of product origin, measures control, protection of products and services brands and the like.

Supervision of the application of the regulations passed on the basis of the Standardization Act, which refers to the standards, quality norms, technical norms, producers' specifications, documents accompanying the products which have been marketed, quality marks, as well as the way of declaration, marking, coding, and packaging of products and other prescribed conditions in the sense of the provisions of the same mark, is carried out by the competent bodies in the Republics or in the Autonomous Provinces, and the Federal Inspectorate for Markets, in accordance with the Federal law.

Authorizations of market inspection concerning inspection of the application of the said regulations which regulate the quality and other properties of the product, as well as some conditions, are set forth in the Law on Federal Inspection for Markets, Republic and Autonomous Province laws on market inspection, the Standardization Act, the Law on disloyal competition and monopoly agreement, the Law on the bases of activities of the organizations of associated labour, in the field of marketing of products and services, and on the measures system which prevents the disturbance of the unity of the Yugoslav market in that field, the Law on social price control, (relation price - quality), the Law on quality control of agricultural and food products in foreign trade, etc.

According to the Law on Federal Inspection for Markets, or corresponding provisions of Republics and Autonomous Provinces Laws on Market Inspection, the Inspectorate for Markets, when performing the inspection with the view to establishing the factual state, has the right to inspect the goods, i.e. the products to which the standards refer, technical norms, quality norms, and other prescribed conditions in production, and placing the goods on the market, rendering services and execution of works.

6. Conclusion

The system of assurance of product quality on the market of the SFRY is still in the development phase. The sub-system of regulative acts and production possesses the longest tradition. The sub-system of quality assurance in marketing of the products is still to be elaborated. Obligatory certification of the product has been defined, and ten regulations on the matter have been passed up to now. The JUS quality mark is in the phase of preparation; as far as comparative tests are concerned, several basic standards have been published, whereas in the organizations of organized consumers the tests have been carried out in several towns in our country.

Certainly, in the times to come, the concept of quality assurance will be defined and will reach its full affirmation.



