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**GLAWCAL  
COMMENT #184**

**“MARKET ECONOMY STATUS AND  
CONSUMER PROTECTION”**

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*Based on*

**Piercarlo Rossi “Non-Trade Concerns  
and Consumer Protection in China:  
Surrounding Issues”**



**gLAWcal**  
Global Law Initiatives for Sustainable Development

## A gLAWcal comment on Piercarlo Rossi “Non-Trade Concerns and Consumer Protection in China: Surrounding Issues” in Paolo Davide Farah and Elena Cima (Eds.) “China’s Influence on Non Trade Concerns in International Economic Law”

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The legal provisions aiming at consumer protection in China correlates to the country’s transition towards a socialist market economy – Professor Rossi argues. China has used legal reforms to progressively transform the economy to attract foreign investment and foster economic growth. After the PRC’s accession to the WTO in 2001, the consumer market entered a new phase, which required the government to review its laws and policies. In other words, it was necessary to protect, on the one hand, foreign consumers through the export of safe products and, on the other, Chinese consumers against business strategies and contractual relationships with foreign companies. At the same time, the PRC often discussed the public perception about the inadequacy of Chinese laws to protect even its own consumers. In the transition from a planned to a market economy, the progressively adopted rules and norms reflected the relationship between industrial production, fixed contracts, and consumer protection in very distinct ways. As a result, the PRC created a broad array of remedies, which encompass civil and criminal law, as well as civil, administrative, and criminal procedural law. The wider relationships between law and economy should be taken into consideration in dealing with these issues. Indeed - as it is often pointed out by Professor Rossi - the relationship between market and State is not only influenced by its economic development stage or its laws, but it also depends on the country’s leading socio-economic policy. Per-

haps, one of the shortcomings of the study of legal reforms concerning the Chinese market is the tendency to attribute all the observed phenomena to one single explanatory scheme, according to which there exists a set of rules. For example, because consumer protection laws are widespread among advanced economies, emerging countries, like China, should simply adapt. It is argued that because globalization applies external pressure on national enterprises and the national authorities responsible for monitoring the market, the international market will eventually regulate the national state, rather than simple national regulation of the market. Therefore, international rules on consumer protection will ultimately and inevitably prevail since Chinese consumers will demand the same standards that the government itself will finally adopt, to compete with not only international products but the best legal systems as well. Since unfair commercial practices are constantly evolving, a growing number of scholars see cross-border cooperation to protect consumers as one of those issues that will promote regionalization in Asia within the context of globalization. Nonetheless, the growing interdependence of national economies makes the ineffectiveness, within a jurisdiction, of control methods and remedies extremely dangerous for consumers in other jurisdictions. Similarly, social concerns related to Non Trade Concerns might be treated differently within the WTO, compared to the EU or countries like China, considering the different underlying relationships between law and economy.

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The gLAWcal comments are insight and short analytical pieces written by the gLAWcal team. The gLAWcal comments are based on, and inspired by, the books and chapters published within one of the [gLAWcal book series](#) published by Routledge Publishing (New York/London).

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gLAWcal is an independent non-profit research organization (think tank) that aims at providing a new focus on issues related to economic law, globalization and development, namely the relationship between international economy and trade, with special attention to a number of non-trade-related values and concerns. Through research and policy analysis, gLAWcal sheds a new light on issues such as good governance, human rights, right to water, rights to food, social, economic and cultural rights, labour rights, access to knowledge, public health, social welfare, consumer interests and animal welfare, climate change, energy, environmental protection and sustainable development, product safety, food safety and security.

## OUR MISSION

To collaborate with Government, Civil society and business community to balance the excess of globalization with Non Trade Concerns.

## OUR GOALS

To influence policymakers, to raise awareness over Non Trade Concerns, to encourage stakeholder participation, and to disseminate gLAWcal’s publication results.



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