

Background, Practice, and Effect of Consumer Education in Japan

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This study introduces the background, practice, and effect of the consumer education in Japanese high school. Although the discussion of the consumer education has been positively and actively promoted in Japan for more than half a century, most of them are written only in Japanese. As a result, Japan's experience of the consumer education is hard to share to the abroad. Results of this review study are summarized as following three parts. First, the introducing the consumer education, including enacting the law, is the result of efforts for a long time. Second, it is now hurried up for Japanese high school students to acquire the knowledge as a consumer due to not only the technological advance but also lowering the adulthood age from 20 years old to 18 years old. Third, the effect of the consumer education is seen significantly from empirical studies although the number of studies about the effect of the consumer education is still not many. In conclusion, it is important to continue efforts to foster "wide" consumers through the consumer education.

Key Words : *consumer education, high school, Japan, door to the society*

1. INTRODUCTION

Consumer education is important to survive as a clever consumer in the complicated society. Although consumer education covers large fields such as economics, consumer merchandise, and the home economy, this study states the meaning of the consumer education from the point of view in economics. The necessity of the consumer education lies in the asymmetric information. Consumers purchase the worse one since they do not have as much information and knowledge as retailers. Typical example in economics is purchasing the used car, called "lemon." Another example is the architecture or housing. Preventing the asymmetric information, regulations or rules by the government are allowed in economics. In Japan, the automobile is a typical example. Repairs and periodical checks of the automobile must be recorded and they are the guarantee in selling the automobile. In addition, Product Liability Law (PL Law) was enacted in 1995, and products in many fields are liable for companies. Still consumers' knowledge was not increased regardless of the increase of notices from the produced companies.

Although the regulation is mainly for selling companies, the education for consumers are another way to overcome the asymmetric information. The history

of the consumer education in the U.S. and Europe began from the 1920s¹⁾. Although the claim of the necessity of the consumer education began in Japan from the 1960s^{1), 2)}, the law of the consumer education was enacted in 2012. After that, the material was developed and the class began.

Although the discussion of the consumer education was developed for more than half a century, English literature is not necessarily many. This study summarizes and introduces the movement of the consumer education from the background, practice, and impact of the high school consumer education.

2. BACKGROUND: RECENT HISTORY OF THE CONSUMER EDUCATION IN JAPAN

The necessity of the consumer education is claimed as important since the 1960s. Until the beginning of the 21st century, producers' liability was main part to prevent from the asymmetric information. This chapter focuses on the promotion of the policy framework in the 21st century. Nishimura¹⁾ chapter 3 was helpful in Japanese.

Basic Act on Consumer Policies was altered in 2004, and Promotion of Activities to Raise Consumer Awareness and Consumer Education was enacted. Former Prime Minister Yasuo Fukuda denoted that

the relief of the national life in 2007, and was willing to establish the Consumer Affairs Agency.

In Japan, establishing new agency needs the new law. The act of establishment of the Consumer Affairs Agency was passed in 2009. At that time, supplementary resolution of the consumer education was decided on the parliament. Based on the supplementary resolution of the parliament, the Act of the Promotion of Consumer Education was enacted on December 12, 2012.

This law contains the responsibility for the national government to precede the basic principle and for the local governments (prefectures and municipalities) promotes. In addition, Consumer Education Promotion Council was established.

3. PRACTICE OF CONSUMER EDUCATION IN JAPAN'S HIGH SCHOOL

(1) Recent problems of consumer policies

Consumer commission³⁾ summarizes the recent problems about the consumer policies. Related to the consumer education is as follows.

First, prevailing the ICT society under the aging society sometimes causes serious problem for some consumers. More consumers have come to purchase through the internet. In addition, internet shopping mall and sharing economy make normal people seller. Settlement system also promoted not only cash but also credit card, prepaid card, and internet banking. Second, due to the civil act of Japan change, the age of adulthood was lowered from 20 years old to 18 years old age since the April, 2022. Canceling the contract was prohibited for 18 and 19 age. Third, due to the globalization, the chance to contract between Japanese consumers and foreign companies has increased. It is expected that the trouble between Japanese consumers and foreign companies, or between visiting foreigners and Japanese companies.

Although the consumer education itself covers all the age such as elementary school, middle school, adulthood, and senior people, this study focus on the high school since the adulthood age will change from 20 to 18 after 2022 due to the change of the civil law.

(2) Material for high school students: "Door to Society"

The working team for youth consumer education is established under the Consumer Education Promotion Council in 2015. A textbook called "Door to Society – Become an Independent Consumer through 12 Quizzes"⁴⁾ is made in FY2016 (Fig. 1). This material can study through the 12 basic questions of the consumer education. In addition, action program of the consumer education toward youth generation was

decided in Feb., 2018 by related four ministries, Consumer Affairs Agency, Ministry of Law, Ministry of Education, and Ministry of Finance, the Government of Japan⁵⁾. In this program, "Door to Society" is provided for all 47 prefectures, all high schools in Tokushima prefecture use "Door to Society" as the example, and consumer education equivalent to "Door to Society" is expected to held in all prefectures in 2020. For attaining this goal, experts such as lawyer and consultant for consumers are expected to use the knowledge, and high school teachers are expected to get training of the consumer education (Fig. 2).

① Knowledge about consumer affairs (Consumer affairs quiz)

- Q1 When is the contract concluded during shopping in a store?
- Q2 I bought a product in a store, but I did not use it and do not need it anymore. Can I cancel this contract?
- Q3 A 17-year-old high school student bought a cosmetic set for 100,000 yen without telling her parents. Can this contract be rescinded?
- Q4 I was stopped on the street and solicited to visit an exhibition and buy a painting for 100,000 yen. I could not refuse it. Can I use the cooling-off system for this contract?
- Q5 I bought a T-shirt online, but it does not suit me. Can I use the cooling-off system for this contract?
- Q6 Which payment method allows you to pay after the purchase?
- Q7 Among the credit card payment methods, which one is likely to make you lose count of the balance?
- Q8 I borrowed 200,000 yen from a financial institution at the annual interest rate of 17% to go to a driving school. If I pay back 5,000 yen every month, how much will I pay back in total?
- Q9 Is there any investment that makes profits for sure?
- Q10 Can you claim damages when a product causes an accident?
- Q11 Which number should you call when you want advice on consumer affairs?
- Q12 What will you do if you have a consumer problem?

② Awareness as an independent consumer (consumer affairs questionnaire)

- Q1 During purchasing products at a store, I am aware that in principle returns and refunds are not available, and so I shop carefully.
 - Q2 During shopping on the Internet, I always confirm the terms of use before placing an order.
 - Q3 I always keep an eye on recent sales practices and consumer problems, and how to deal with them.
 - Q4 When I have a problem with a product or service, I contact the business operator (seller or manufacturer).
 - Q5 When I have a problem with a product or service, or with the response of a business, I consult with the Consumer Affairs Center.
 - Q6 If I have a credit card, I will only use it if I can pay the bill by the payment deadline.
 - Q7 If my debt seems to be accumulating, I consult with a Consumer Affairs Center.
 - Q8 If I see someone who seems to have consumer troubles, I advise them to consult with the Consumer Affairs Center.
 - Q9 When someone offers me something that is too good to be true or unsolicited offers that "profit for sure," I strongly refuse.
 - Q10 I think and act in ways that will lead to a safe, secure, and better consumer society.
 - Q11 I will use what I learned from the "Door to Society" booklet in my daily life. *Only after taking the class
- Select from the following:
- | | | |
|-------------------------|-------------------------|----------------------------|
| 1. I don't do it at all | 2. I don't do it much | 3. I can't say I do either |
| 4. I do it a little | 5. I do it fairly often | 6. I do it without fail |

Fig. 1 12 Questionnaire in the "Door to Society"

Source: Kusakabe⁶⁾.

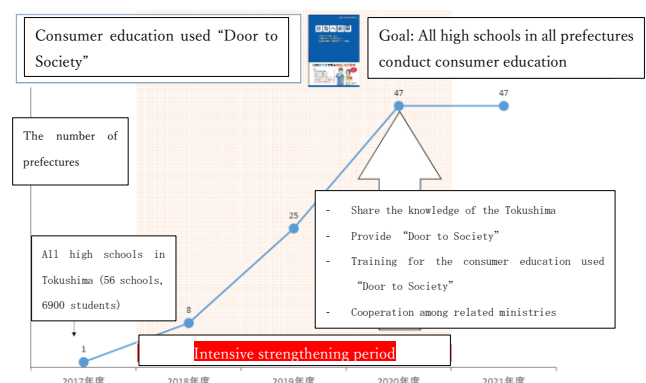


Fig. 2 Action plan for the consumer education in Japan

Source: Action Plan of the consumer education toward youth generation⁵⁾

4. EFFECT OF JAPAN'S CONSUMER EDUCATION: FROM THE LITERATURE REVIEW

In Japan, prefectures play an important role for promoting consumer education since around 70% high schools are operated by prefectures. Therefore, expert staffs in prefectures and students understanding are important. So far, the follow up of the action program is still waiting, but some research results have come to published. We can see these results as follows.

(1) Local administration staffs

Although the law was enacted by the central government of Japan, consumer education is promoted together with the local government. Kakino⁷⁾ shows the human resources of the consumer education by the questionnaire to municipalities including 47 prefectures, 20 ordinance-designated city, and 30 prefectural capital cities. As the result shown in Table 1 (especially minimum), some municipal governments does not necessarily have enough staffs at that time.

(2) Effect of the consumer education

Kamiyama⁸⁾ asked 44 junior high school students for indicating important points of the mail-order advertisement before and after the consumer education class. Since students can point out important points of the contract after the class, the effect of the consumer education is shown. In addition, Kamiyama⁹⁾ compares the participatory and lecture types of the consumer education class in junior high school students. Results are summarized for following points. First, the effect of participatory type class is high impact although the help from the teacher is necessary. Second, lecture type class is easy to teach efficiently although it is difficult to use in their daily life. Third, the consumer education is combined lecture types and participatory is the best: first as teaching basic knowledge, second as discussing for preventing with preventing from the consumer troubles, and third as connecting with the basic knowledge and the discussion.

Table 1 The Number of staffs engaged in the consumer administration (A), the consumer education (B), and rate of the consumer education (C)

| | Prefecture | | | ordinance-designated cities | | | prefectural capital cities | | |
|--------|------------|------|--------|-----------------------------|------|--------|----------------------------|------|--------|
| | (A) | (B) | (C) | (A) | (B) | (C) | (A) | (B) | (C) |
| mean | 19.21 | 5.68 | 289.17 | 12.05 | 6.11 | 3.30 | 12.93 | 4.93 | 243.45 |
| median | 14 | 5 | 225 | 10 | 6 | 300 | 4 | 3 | 100 |
| Min. | 5 | 1 | 30 | 5 | 2 | 50 | 1 | 0 | 40 |
| Max. | 85 | 14 | 1200 | 37 | 11 | 910 | 8 | 6 | 450 |
| s.t.d. | 16.61 | 3.05 | 239.91 | 7.28 | 2.54 | 209.45 | 1.74 | 1.55 | 85.65 |
| N | 47 | 47 | 46 | 20 | 19 | 19 | 31 | 31 | 30 |

(Source) Table 1, Kakino⁷⁾.

Sakamoto¹⁰⁾ asked 290 students from 18 to 25 years old through the web questionnaire about the consumer trouble from six fields: consumer trouble, financial management, things and spatial management, rational choice, consumer knowledge, and consumer awareness. Results by using the covariance structure analysis are shown as following three points. First, the degree of consumer knowledge and rational choice does not reduce the probability of consumer trouble. Second, financial management and things and spatial management reduces consumer trouble. Third, there is no relationship between consumer awareness and consumer trouble. The conclusion is that the traditional home economy, teaching mainly the financial management and things and spatial management, is quite important for preventing consumer troubles including civil law change.

(3) Effect of the “Door to Society”

Tokushima Prefecture is located in the eastern area of Shikoku island, and the branch of the Consumer Affairs Agency was moved from Tokyo in 2017. Tokushima prefecture is one of the prefectures to deal with the consumer trouble or education positively for a long time. One example is exchange personal setting. One high school teacher has been the consumer policy division in Tokushima prefecture in every year for more than 10 years, which contributes to exchange the opinion between the high schools and consumer policy administrators in Tokushima prefecture (Nishimura¹⁾, p. 88). After the branch was moved to Tokushima, several researches have been held.

Tokushima prefecture examines the examination of the 12 Quizzes before and after the class from 2017 to 2019 for around 6,500 high school students (55 high schools) inside the prefecture. Kusakabe⁶⁾ summarizes the results in English shown in Fig. 3 and 4. From the result, following three things can be mentioned. First, the percentage of the corrected answers after the class are higher than those before class. In addition, many of them are more than 5 percentage point up due to taking class. Second, cancellation of contracts in the second question looks difficult for students. Third, there is a significant change in their awareness as consumers.

Mori and Sakurai¹¹⁾ analyze the questionnaire by using the individual answers. Results are shown as the following points. First, consumer education used by Door to Society continue the effect for several years. In addition, consumer knowledge after class reduces the deviation compared with that before the class. As a result, consumer knowledge in high school students improve and normalized by using the material, Door to Society. Second, effect of consumer knowledge continues around several years. Since

contracts, investment, and product liability have relationship for understanding, it is worth teaching together. Third, the relationship between consumer consciousness and consumer knowledge continues several years. Fourth, consumer knowledge will increase by the change of the circumstances such as promoting to upper school or getting the job.

Common things of these researches are following. First, the consumer education itself has effect to foster the “wise” consumers. Second, the contents are also important although some topics such as cancel of contracts are relatively difficult to solve. Third, the term of these researches are not a long time. Questionnaire for a longer time will be expected.

Knowledge about consumer affairs (consumer affairs quiz)

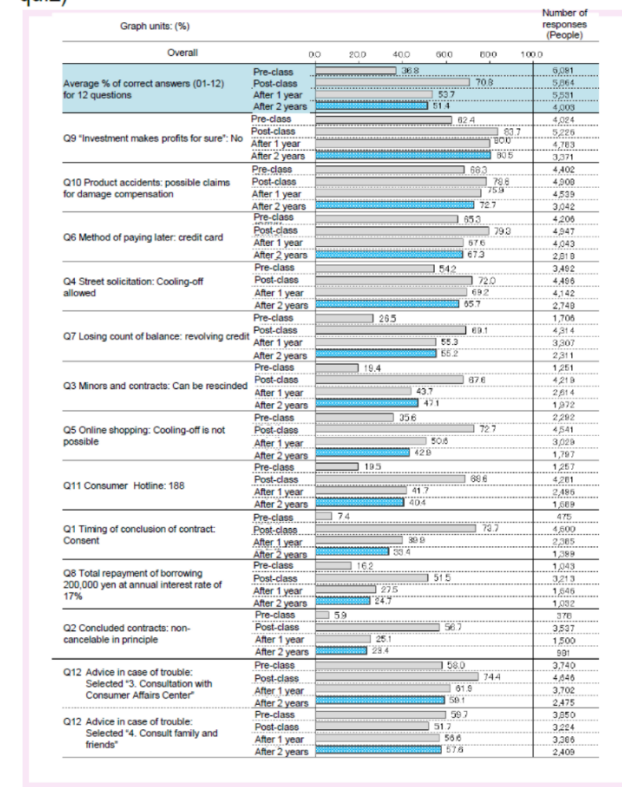


Fig. 3 Results of the Consumer Affairs Quiz

Source: Kusakabe⁶⁾

Awareness as an independent consumer (consumer affairs questionnaire)

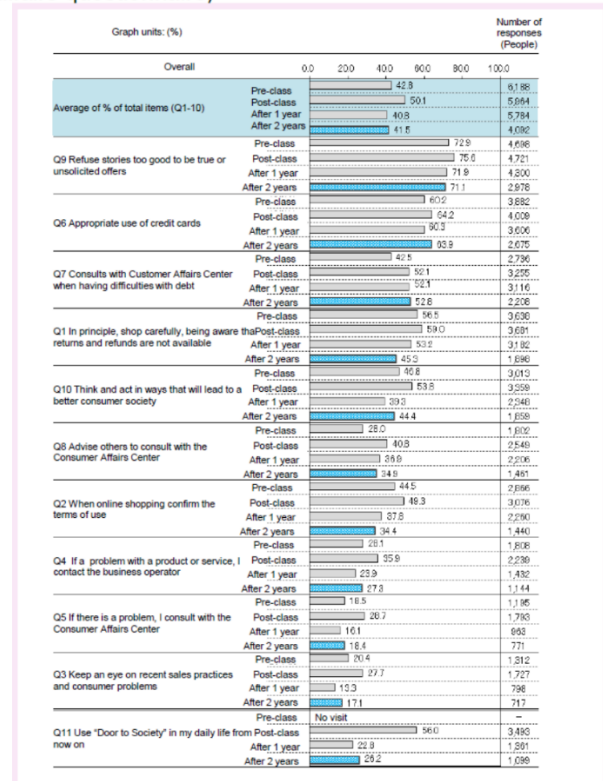


Fig. 4 Results of the Consumer Affairs Questionnaire

Source: Kusakabe⁶⁾

5. CONCLUSION

This study introduces the discussion of the consumer education in Japan mainly from the background, the practice in high school students, and the impact of the consumer education. Struggle of many related people leading to the promotion of the consumer education should be honored for preventing from the consumer troubles first of all. In addition, the movement of the consumer education in Japan for following three parts.

First, many researches in Japan's consumer education are based on the consumer troubles inclusively. Since main research targets are financial or food education in Europe and the U.S., the research trend is a bit different. One of the reasons lies in the history of consumer trouble in Japan. Consumers in Japan have been annoyed from low qualified goods since the 1960s due to the rapid industrialized although the PL law was enacted in 1995. In contrast, many Japanese people did not worry about the financial asset until the 1990s since the real estate, main Japanese asset, was increased until the head of the 1990s. In addition, the interest rate of the bank account was nearly 5% until the 1980s.

Second, the power for introducing the consumer education has been much stronger in the 21st century

than that in the 20th century. This is partly because the prevailing of the ICT society and the international society, as Consumer Commission³⁾ indicates. In addition, the more parliament members found out the importance of the consumer policy and the consumer education as a result of the movement of the society.

Third, prevailing consumer education in high schools is hurried up since lowering adulthood age from 20 to 18 due to the civil law changed in 2022. In addition, the consumer education in high school students is effectively prevailed.

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