

Background, Practice, and Effectiveness of Consumer Education in Japanese High Schools

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This study introduces the background, practice, and effectiveness of consumer education in Japanese high schools. Although discussions regarding consumer education have been positively and actively promoted in Japan for more than half a century, most of them are available only in Japanese. Consequently, Japan's experience of consumer education is difficult to share globally. The results of this study are summarized in three parts. First, there is an introduction on consumer education, including the enactment of the law, which is the result of long-term efforts. Second, it elucidates how Japanese high school students are able to acquire knowledge as a consumer driven by technological advances and also the lowering of adulthood age from 20 to 18. Third, the effectiveness of consumer education has been demonstrated significantly in empirical studies, although there are limited studies. In conclusion, it is important to continue efforts to foster "wide-ranging" consumers through consumer education.

Keywords: consumer education, high school, Japan, door to the society

1 Introduction

Consumer education is important for survival in a complicated society. Although consumer education covers vast fields such as economics, consumer merchandise, and home economy, this study elucidates consumer education from the economics perspective. The necessity of consumer education lies in asymmetric information. Consumers may make wrong purchase choices since they do not have as information and knowledge like retailers. A typical example in economics is purchasing a used car, called "lemon." Another example is architecture or housing. In order to prevent asymmetric information, the government has framed certain rules and regulations. In Japan, the automobile sector is a typical example. Maintenance and periodical checks of automobiles must be recorded to ensure a smooth sales process. The Product Liability Law (PL Law) was enacted in 1995, covering products in many fields. Nevertheless, consumers' knowledge did not increase despite companies releasing frequent notices.

Although the regulation mainly applies to companies, it also helps consumers avoid

asymmetric information. The history of consumer education in the U.S. and Europe dates back to the 1920s (Nishimura 2017). Although the necessity of consumer education began in Japan from the 1960s (see Nakahara 1989 until the mid-1980s), the consumer education law was enacted only in 2012. Subsequently, educational material was developed and classes began.

Although the discussion surrounding consumer education dates back to more than half a century, there is limited literature in English. This study summarizes and introduces the evolution of consumer education highlighting the background, practice, and impact of high school consumer education.

2 Background: Recent History of Consumer Education in Japan

The necessity for consumer education gained significance in the 1960s. Until the beginning of the 21st century, producers' liability mainly concerned prevention of asymmetric information. This chapter focuses on the promotion of the policy framework in the 21st century. Nishimura (2017) Chapter 3 was helpful in Japanese.

The Basic Act on Consumer Policies was amended in 2004, and the Promotion of Activities to Raise Consumer Awareness and Consumer Education was enacted. Former Prime Minister Yasuo Fukuda has been focused on the improvement of its citizens' quality of life, and was willing to establish the Consumer Affairs Agency.

In Japan, a new agency can only be established through legislation. The act to establish the Consumer Affairs Agency was passed in 2009. At that time, a supplementary resolution on consumer education was endorsed in Parliament. Based on the supplementary resolution, the Act of the Promotion of Consumer Education was enacted on December 12, 2012.

Under this law, the national government is responsible for implementing consumer education, while local governments (prefectures and municipalities) are expected to promote it. In addition, the Consumer Education Promotion Council was established.

Accordingly, curriculum formulation for high schools was amended in 2018 and the revisions were enacted in 2020. Although consumer education was included in curriculum formulation in 1989 as part of social studies and home economics, the effect has not been robust so far.

3 Practice of Consumer Education in Japanese high schools

3.1 Recent Problems of Consumer Policies

The Consumer Commission (2019) summarizes recent problems surrounding consumer policies. The following are some related to consumer education.

First, the advancement of Information and Communication Technology (ICT) under an aging society can occasionally cause serious problems for some consumers. An increasing number of consumers are making purchases through the internet. In addition, internet shopping malls and sharing economy encourage ordinary citizens to become sellers. Payments were made not only through cash but also credit card, prepaid card, and internet banking.

Second, following changes to the civil act in Japan, the age of adulthood was lowered from 20 to 18 as of April 2022. Cancellation of a contract was prohibited for those aged 18 and 19.

Third, rapid globalization increased the chances of contracting in the world. This triggered problems between Japanese consumers and foreign companies, or between visiting foreigners and Japanese companies.

Although consumer education covers students in elementary school, middle school, adulthood, and senior people, this study focuses on high schools in the wake of the lowering of adulthood age.

3.2 Material for High School Students: “Door to Society”

A working team for youth consumer education was established under the Consumer Education Promotion Council in 2015. A textbook called “Door to Society – Become an Independent Consumer through 12 Quizzes” was prepared in 2016FY (**Figure 1**). This material highlights 12 basic questions with regard to consumer education. In addition, the action program of consumer education toward youth generation was pronounced in February 2018 by four related ministries, Consumer Affairs Agency, Ministry of Law, Ministry of Education, and Ministry of Finance, the Government of Japan. In this program, “Door to Society” is provided for all 47 prefectures; all high schools in Tokushima prefecture use “Door to Society,” and consumer education equivalent to “Door to Society” is expected to be held in all prefectures in 2020. For achieving this goal, experts such as lawyers and consultants for consumers are expected to use the knowledge, and high school teachers are expected to receive training in consumer education (**Figure 2**).

4 Effect of Japan's Consumer Education: From the Literature Review

In Japan, prefectures play an important role in promoting consumer education, since around 70% of high schools are operated by prefectures. Therefore, expert staff in prefectures and students' understanding are important. So far, there is limited information on the follow up of the action program, although some research results have been published. We can see these results in the following section.

4.1 Local Administration Staffs

Although the law was enacted by the central government of Japan, consumer education has been promoted by local governments as well. Kakino (2016) shows the human resources of consumer education through questionnaires to municipalities including 47 prefectures, 20 ordinance-designated cities, and 30 prefectural capital cities. As the results, some municipal governments did not necessarily have enough staff at that time.

4.2 Effect of Consumer Education

Kamiyama (2006) asked 44 junior high school students to indicate important aspects of mail-order advertisements before and after a consumer education class. Since students could specify important points of the contract after the class, the effectiveness of consumer education was confirmed. In addition, Kamiyama (2009) compares the effectiveness of participatory and lecture type of consumer education class among junior high school students. The results can be summarized as follows. First, the effectivity of the participatory class is high although help from the teacher is necessary. Second, lecture type class is easy to teach although it is difficult to apply in daily life. Third, consumer education combining lecture and participatory type is the best: first for imparting basic knowledge, second to prevent consumer troubles, and third by connecting basic knowledge and discussion.

Sakamoto (2021) asked 290 students aged 18–25 through a web questionnaire about problems spanning six aspects: consumer trouble, financial management, things and spatial management, rational choice, consumer knowledge, and consumer awareness. Results by using the covariance structure analysis are as follows. First, the degree of consumer knowledge and rational choice does not reduce the probability of consumer problems. 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 traditional home economy, teaching mainly financial management and things and spatial management, is important for preventing

consumer troubles including civil law change.

4.3 Effect of the “Door to Society”

Tokushima Prefecture is located in the eastern area of Shikoku island (see **Figure 3**), and is one of the prefectures to positively deal with consumer problems or education for a long time. The branch of the Consumer Affairs Agency was moved from Tokyo to Tokushima in 2017, following which several studies have been held.

In Tokushima prefecture, the consumed time and subject for including consumer education is decided by individual high schools. In some high schools, consumer education is taught during the social sciences class for 50 minutes, while in other schools, it is taught with home economics for more than 100 minutes.

Tokushima prefecture examined the 12 questions before and after the class of consumer education from 2017 to 2019 for around 6,500 high school students (55 high schools) inside the prefecture. Kusakabe (2021) summarizes the results in English, as shown in **Figures 4** and **5**. First, the percentage of correct answers after the class was higher than before class. In addition, the correct responses increased by more than 5 percentage points after the class. Second, cancellation of contracts in the second question seemed difficult for students. Third, there was a significant change in their awareness as consumers.

Figure 3 Location of Tokushima Prefecture

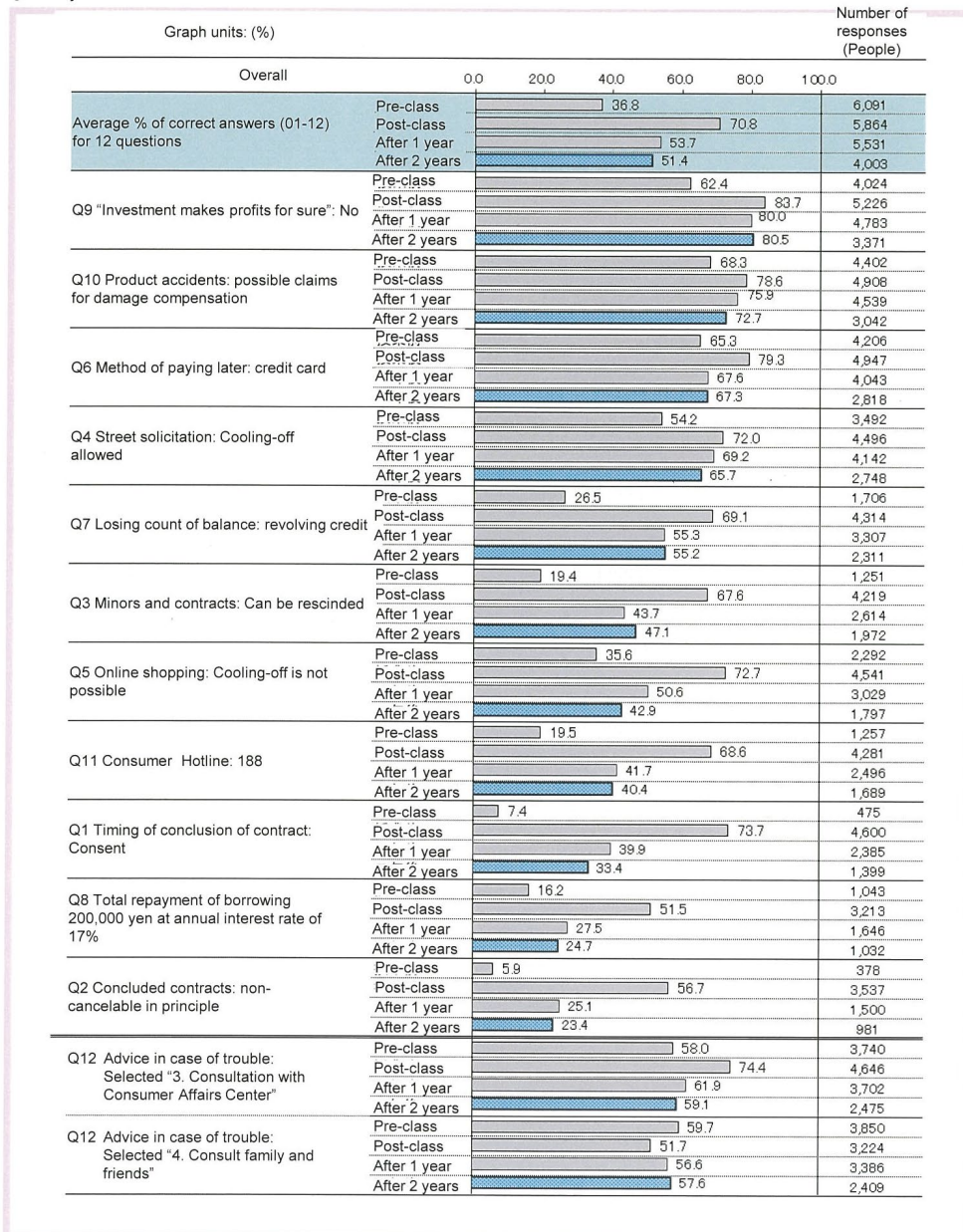


Source: Geospatial Information Authority of Japan

Mori and Sakurai (2022) analyzed the questionnaire using individual answers. First, consumer education used by the Door to Society continued to be effective for several years. In addition, consumer knowledge after the class reduced the deviation compared

Figure 4 Results of the Consumer Affairs Quiz

○ Knowledge about consumer affairs (consumer affairs quiz)

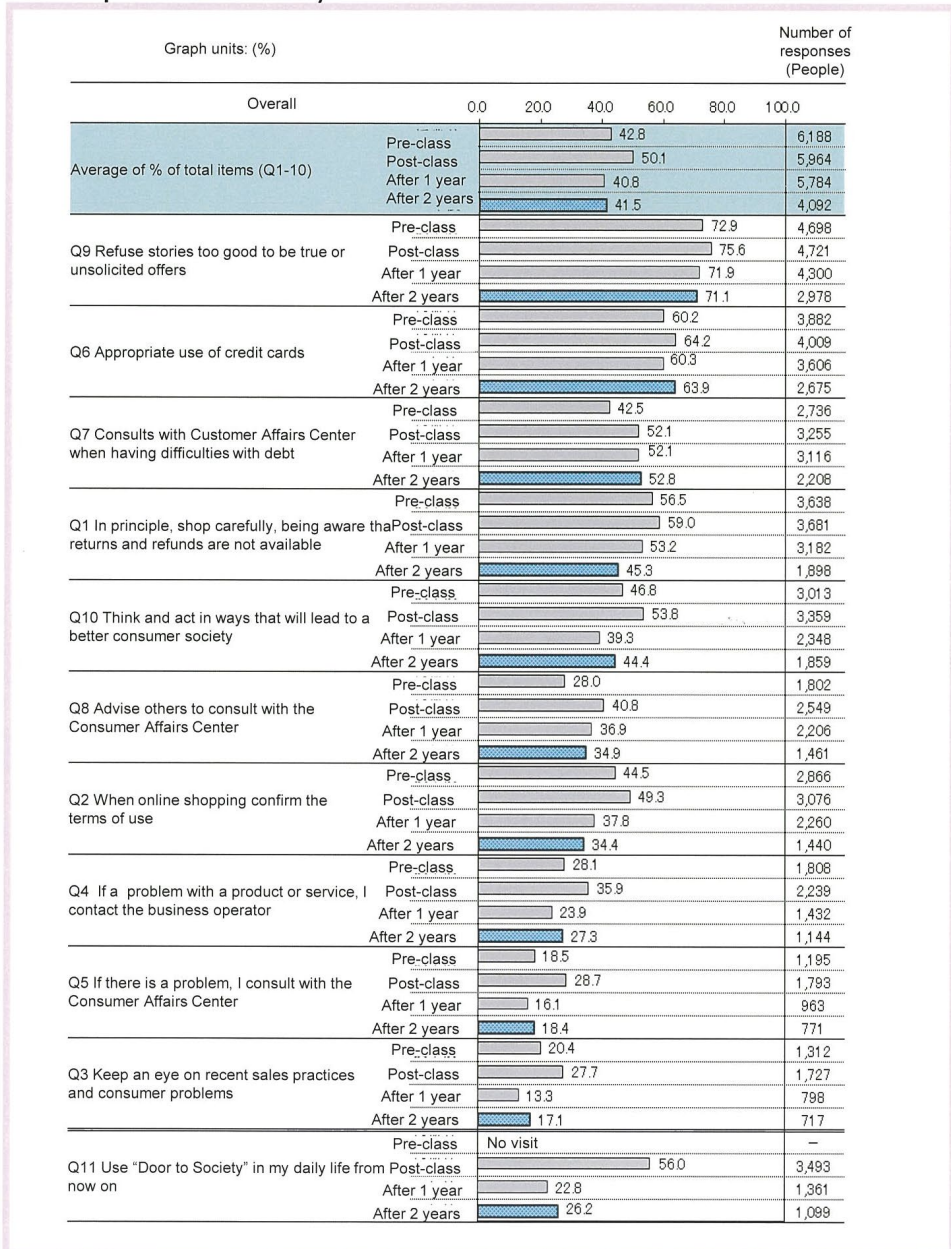


Source: Kusakabe (2021)

with that before the class. Consequently, consumer knowledge among high school students improved and normalized after using the material, Door to Society. Second, the effect of consumer knowledge continued for several years. Since contracts, investment,

Figure 5 Results of the Consumer Affairs Questionnaire

○ Awareness as an independent consumer (consumer affairs questionnaire)



Source: Kusakabe (2021)

and product liability are related, it is worth teaching them together. Third, the relationship between consumer consciousness and consumer knowledge continued for several years. Fourth, consumer knowledge increased by the change in circumstances such as promoting to upper school or getting a job.

These studies share certain common features. First, consumer education itself has an effect in fostering “wise” consumers. Second, the contents are also important although some topics such as cancellation of contracts are relatively difficult to solve. Third, the duration of these studies is not long. Accordingly, future studies should conduct long-term surveys.

5 Conclusion

This study discussed consumer education in Japan mainly from the perspective of background, practice in high school, and its impact on consumers. The efforts of people leading to the promotion of consumer education should be acknowledged for preventing consumer problems. In addition, the movement of consumer education in Japan can be summarized in three parts.

First, many studies in Japan’s consumer education are based on consumer problems inclusively. Since the main research targets are financial or food education in Europe and the U.S., the research trend is relatively different. One of the reasons lies in the history of consumer problems in Japan. Consumers in Japan have been resenting low quality goods since the 1960s, in the wake of rapid industrialization although the PL law was enacted in 1995. In contrast, many Japanese people remained unconcerned about financial assets until the 1990s since the real estate, mainly Japanese assets, increased until the 1990s. In addition, the interest rate of banks was nearly 5% until the 1980s.

Second, the drive for introducing consumer education has been much stronger in the 21st century than in the 20th century. This is due in part to the ICT society and the international society, as the Consumer Commission (2019) indicates. In addition, an increasing number of Parliament members emphasized the importance of consumer policies and consumer education as a result of the movement of the society.

Third, consumer education in high schools began early since the age of adulthood was lowered from 20 to 18 after the civil law was amended in 2022. In addition, consumer education among high school students prevailed effectively.

Finally, the demand for consumer education changed following the emergence of new problems in this complex society. It is expected that consumer education will address these problems adequately.

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