

“Consumption and the COVID-19 Pandemic: From the Perspective of Consumer Law and Education”

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Associate Professor Antonios Karaiskos is a faculty member of Kyoto University since April 2016. Being raised in Greece he graduated from Athens University Graduate School of Law and worked as a lawyer before moving to Japan in March 2006.

Giving a brief overview, Professor Karaiskos first outlined the topics he would cover in his presentation as follows: (1) Consumer education in Japan (2) COVID-19 and Consumption (3) COVID-19 and Consumer law (4) COVID-19 and Consumer education (5) Consumer education in the EU and the “Asian Model”.

Following said structure, this report will summarize the respective points and ideas presented by Professor Antonios Karaiskos.

(1) Consumer education in Japan

The origin of consumer education lies in the concept of home economics. In Japanese schools, home economics is a part of the curriculum: Pupils are taught practical skills in class – for example how to cook, sew, etc. – and now also, how to act as responsible consumers.

In the 21st century there was a significant change in the landscape of consumer policy in Japan. Up to that point Japanese lawmakers focused on consumer protection alone. As the government felt that there was an overreliance by consumers on the state and the laws, policy shifted to support self-reliance instead.

However, this development was also in part misused by the business side, which started to lobby against concrete consumer protection and emphasized (only) the individual responsibility of consumers. Indicatively the “Consumer Protection Fundamental Act” was amended in 2004 and revised to the “Basic Act on Consumer Policies” – the word “protection” was removed under the pressure of the business field.

In 2012 the “Act on Promotion of Consumer Education” was introduced.

Based on this law various measures have been taken – at schools and also and also at the level of local authorities.

Regarding the practical consumer education of pupils, there was a revision of the curriculum guidelines, improvement of teachers’ skills – including the utilization of external educators – as well as support being granted by providing schools with teaching material and consumer education-related information, predominantly in digital form.

At the local level a cooperative framework centered around “Consumer Affairs Centers” has been developed. These institutions are established by the local authorities and provide free advice for consumers in regard to their rights. A common, nationwide telephone hotline ensures that they are easily accessible. Consumer Affairs Centers also mediate between consumers and businesses. Although this practice is only voluntary in nature, as businesses are not obligated to comply by law, in practice most Japanese businesses chose to cooperate.

(2) COVID-19 and Consumption

During the first period of the COVID-19 crisis in 2020, the consumption behavior was characterized by unnecessary hoarding and actions based on incorrect information. People hoarded rice, tissue paper, toilet paper, etc. due to the influence of rumors.

The effect of rumors in Japanese society should not be underestimated and led to bizarre phenomena in the past: In 1973 unfounded rumors about a bank's liquidity almost led to its bankruptcy as people withdrew all their money in panic. It was also not the first time toilet paper was hoarded – in fact in many emergency situations in the past (or situations which were perceived as such) this specific behavior was prevalent in Japan.

This conduct by consumers had harmful effects in the first few months of the pandemic as it led to the collapse of the supply-demand balance and subsequently to soaring prices.

Notable changes in consumption have been observed in Japanese society following the aftermath of the pandemic. So far, a partial departure from mass consumption and mass production has taken place. On the other hand, there is a significant increase in digital and online consumption. Furthermore, with a surge in so-called “experience consumption” (for example traveling, attending events), there is evidently a trend of “services over goods” in progress.

Giving an outlook on the future is difficult – it is uncertain if the above flow will continue or if there will be a “catch-up-effect” with people resorting to so-called “revenge consumption”, as they will try to make up for the restricted possibilities during the years of the pandemic.

(3) COVID-19 and Consumer law

In Japan there is no comprehensive general act regulating consumer law or consumer contracts. The various special acts (Consumer Contract Act, Act on Specified Commercial Transactions, etc.) are difficult to know and work with even for professionals in this field, not to mention for consumers. Nevertheless, Japanese law at least acknowledges in the Consumer Contract Act that there is a “disparity in the quality and quantity of information and negotiating power between Consumers and Businesses”.

During the COVID-19 pandemic there were many cases of consumer damage inflicted by businesses taking advantage of the crisis. For example through “spoofing”: Businesses went door to door, claiming that the public health center solicited them to sell test kits. Inertia selling was another common bad faith practice that businesses resorted to – for example the one-sided sending and billing of masks.

These experiences during COVID-19 reaffirmed the importance of legislation in the field of consumer protection for people. Furthermore, it highlighted the necessity of comprehensive and technology-neutral laws to be enacted the sooner the better – unfortunately this is opposed by parts of the business side which wield great political influence in Japan.

Especially the lack of technology-neutral legislation is a big problem in Japan, as the lawmakers cannot keep up with the steep technological developments – this creates many loopholes and possibilities for workarounds.

The role of the government, namely the Consumer Affairs Agency, regarding consumer protection was reevaluated and appreciated by people during COVID-19 and with that the significance of active government intervention. At this point it should be mentioned that the actions and postulated precautions the Japanese government took to handle the pandemic were generally voluntary and advisory in nature only.

(4) COVID-19 and Consumer education

During the pandemic many Japanese scholars started to emphasize the necessity to build a “consumer citizen society”. The Consumer Education Promotion Act defines this notion in Article 2 as “a society in which consumers proactively commit themselves to the creation of a just and sustainable society with mutual respect for the individuality of each consumer, as well as the diversity of consumer lifestyles and with an awareness of how their own consumption behavior could influence socioeconomic trends both at home and abroad, and the global environment at present as well as over future generation”. In short, three elements constitute the “ideal consumer” or “super consumer” as envisioned by the Japanese lawmaker – commitment, respect and awareness.

As mentioned above, Japan is quite reserved and restrained in introducing new legislation in the field of consumer law. It is therefore noteworthy that the concept of a “consumer citizen society” and the respective laws were supported all around and passed rather swiftly and smoothly without any opposition from the business side. The concern is that this law (and the over-emphasizing of self-responsibility that comes with it) allows businesses to shift liability to the now (in theory) educated, self-reliant consumers.

Another concern lays in the fact that representatives of businesses, who are now often invited in schools to partake in consumer education, could – willingly or not – market their products to the most impressionable members of society. A solution to this problem could be the strict “anonymization” of the products and company materials presented in class by removing logos and labels – as practiced in a particular school in Hamburg, Germany.

Consumer education has been the key approach and a necessity in realizing the “consumer citizen society”. The experiences during the COVID-19 pandemic underlined the importance of creating such a society. Features of subsequent consumer education should include the improvement of digital skills, the promotion and development of critical thinking (which conclusively grants a greater resilience to misinformation) as well as the cooperation between various education providers in order to master the challenges of an increasingly complex society.

A forerunner in such efforts to establish a “consumer citizen society” in Japan is the Tokushima prefecture that introduced various pioneering and trend-setting measures at the local level with the “Tokushima Prefecture Ordinance Concerning the Construction of a Consumer Citizen Society”.

(5) Consumer education in the EU and the “Asian Model”

In the European Union the “consumer classroom” was initiated by the European Commission. In the course of this project relevant material was provided and competitions related to consumer education were held. Awards and certifications were introduced to incentivize schools all over the EU to participate. Unfortunately, this program has died down in the last

years – maybe also due to COVID-19 – and there are no noticeable efforts to revive its functionality to the present date.

As mentioned before, in Japan on the other hand, the experiences during COVID-19 revived the efforts in consumer education and the development of a “consumer citizen society”. The minimalist, no-nonsense approach rooted deep in Japanese culture could constitute the basis for a more sustainability-oriented society of educated consumers – not only in Japan but globally. In this regard Japanese scholars should also try to develop an “Asian model” of consumer education which in turn could serve as a role model for countries around the globe.

Discussion & Closing remarks

In the concluding discussion various points were revised – firstly regarding possible problems with the (digital) consumer education in schools: Studies showed that the increase in predominantly sedentary lifestyles impairs the development of Japanese children. The move to a progressively digitalized and screen-based (consumer) education in schools could accelerate this detrimental development.

Furthermore, the challenges and difficulties the implementation of an effective consumer education generally entails were discussed. Professor Antonios Karaiskos reiterated his concerns regarding the trend of consumer policy focusing only on the self-reliance of consumers. Subsequently he again emphasized the need for comprehensive and technology-neutral law ensuring an adequate consumer protection in Japan.

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