

Consumer Administration in Japan and in Hyogo Prefecture

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1. Consumer Administration Structure in Japan

The structure of consumer administration in Japan is outlined in the following:

(1) Consumer Protection Conference

The Consumer Protection Conference was established under the Consumer Protection Basic Law to plan and promote measures and policies regarding consumers. The conference consists of the Prime Minister and general managers of related administrative organizations. The conference is to be held once every year to determine the basic policy and measures of consumer administration for the next year.

(2) Social Policy Council

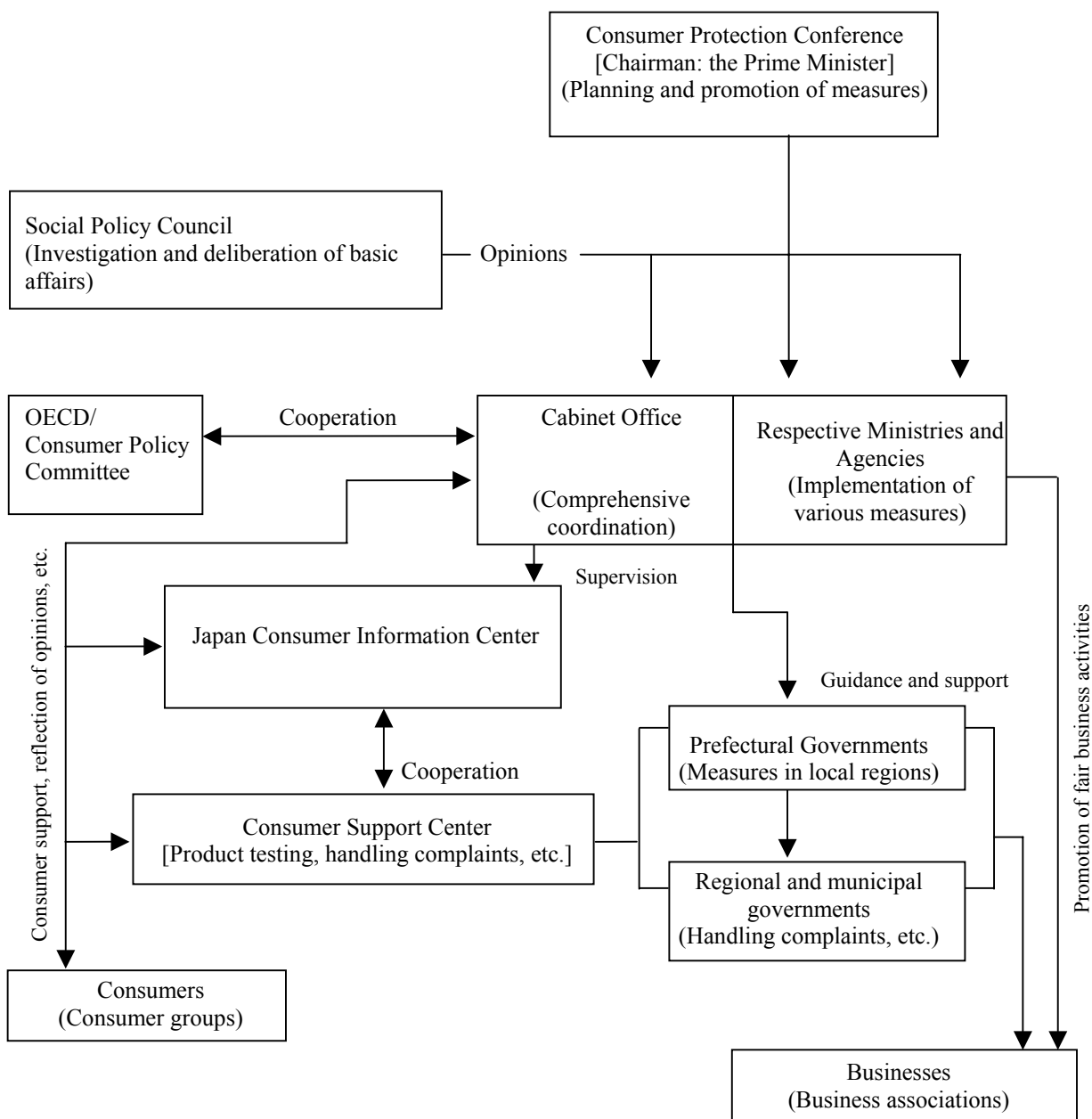
The Social Policy Council investigates and examines important matters regarding consumer policies and advises the Prime Minister, etc. The council was established under the Consumer Protection Basic Law and the Cabinet Office Establishment Law.

(3) Cabinet Office

The Cabinet Office coordinates comprehensive consumer policies and measures and holds meetings of division managers in charge of consumer administration from related ministries and agencies. Particularly, this year, it will hold the Liaison Council of Food Administration.

(4) Japan Consumer Information Center

The Japan Consumer Information Center is a government-affiliated corporation organized in 1970. It provides information, and carries out investigations and studies regarding people's lives. It also provides advice and information on the process of consultations, working closely with the Consumer Support Centers throughout the nation. Further, it trains persons in charge of consumer administration, consumer support consultants, consumer leaders, and staff members of consumer-related departments of enterprises.



2. Measures for Consumers for 2002

In accordance with the Consumer Protection Basic Law, the government promotes fair transactions, fair and free competition, fair measurement, specifications and representations, protection from and remedy of consumer damages, safety of foods and pharmaceuticals, the provision of consumer information, etc. This year, the government is studying the following measures from a new point of view to build policies suitable for a new age.

a. Review of the Consumer Administration

Study of the issue, “from protection to right”, constitution of voluntary action criteria and

organizations for a tentative dispute resolution, etc.

- b. Promotion of Fair Contracts
Study of the effectiveness of the Consumer Contracts Law, study of contracts by using IT, etc.
- c. Security
In particular, study on the establishment of a new organization regarding the security of foodstuffs.
- d. Strengthening of After-the-Fact Checks
Review of penal regulations of acts related to consumers, establishment of a protection system of public communicators, etc.
- e. Improvement of Dispute-Settling Function
Study of systems for judicial trials, Alternative Dispute Resolution (ADR), and ADR function of consumer centers
- f. Review of Consumer Organizations
Study of the group right of action, study of roles of consumer organizations
- g. Promotion of Education, and Enlightenment of Consumers
Promotion of consumer education in schools and enlightenment of adults

3. Consumer Administration in Hyogo Prefecture

Based on the Consumer Protection Basic Law, and also for the safety and the reassurance of residents, the Hyogo Prefectural Government carries out its own measures as follows:

- a. Operation of Consumer Support Center
Seven prefectural centers are maintained and operated.
- b. Operation of Consumer Science Research Center
Investigation of causes for consultation on complaints about goods at the Consumer Support Center, research of goods from the viewpoint of consumers and their way of living, provision of research and consumer science information which would be guidelines for consumer administration
- c. Support to Consumer Activities

Nurturing of consumer organizations and consumer groups, and support of their activities

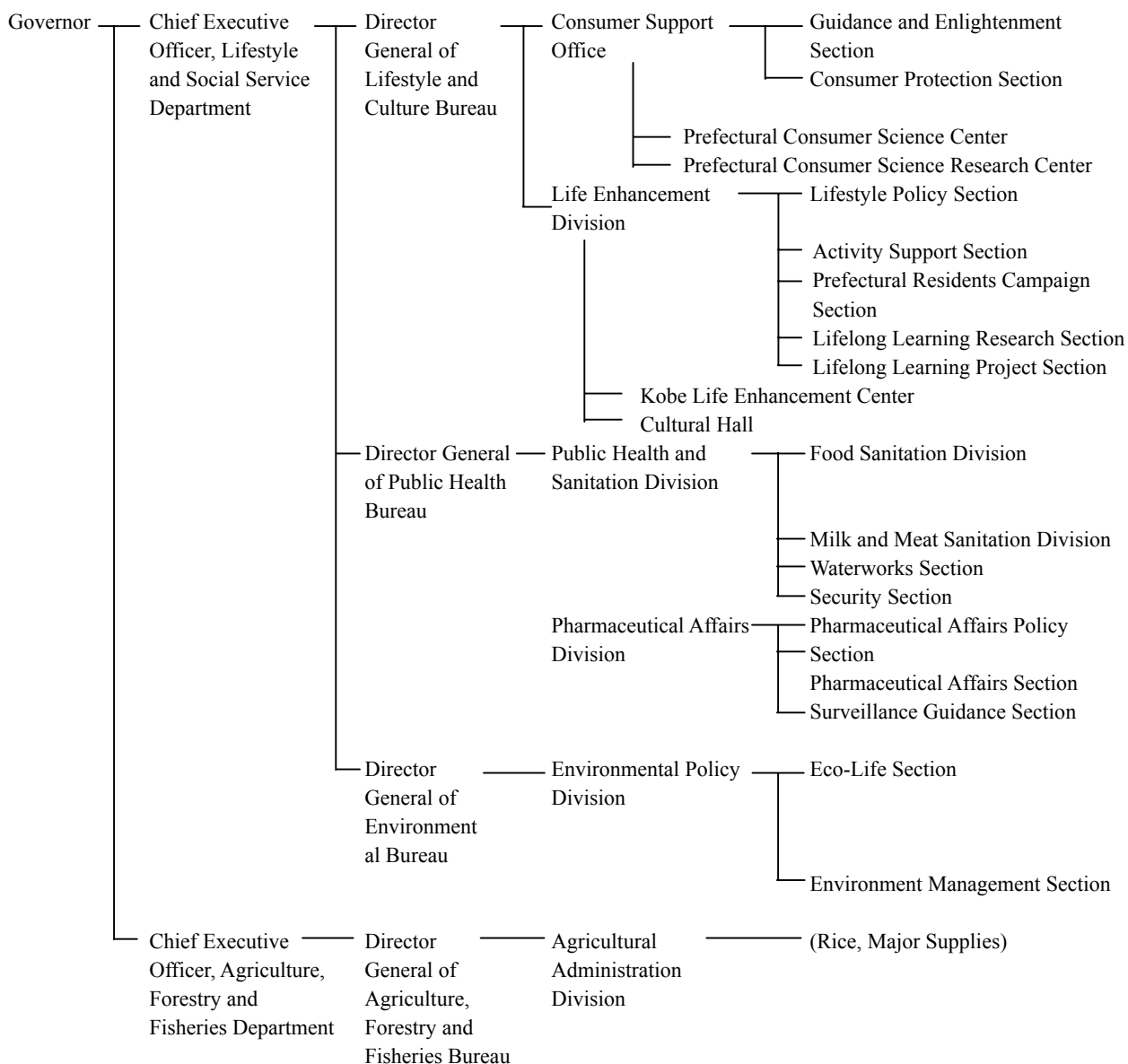
d. Improvement of Consultation System for Consumer Affairs

Maintenance and management of the Practical Living Information Online Network System (PIO-NET), Projects for the improvement of paperwork for consultations

e. Enforcement of Laws related to Consumers

Guidance on laws relating to special business transactions, and the Act Against Unjustifiable Premiums and Misleading Presentations

Consumer Administration Structure in Hyogo Prefecture



3. Projects and Organization of Hyogo Prefectural Kobe Life Enhancement Center

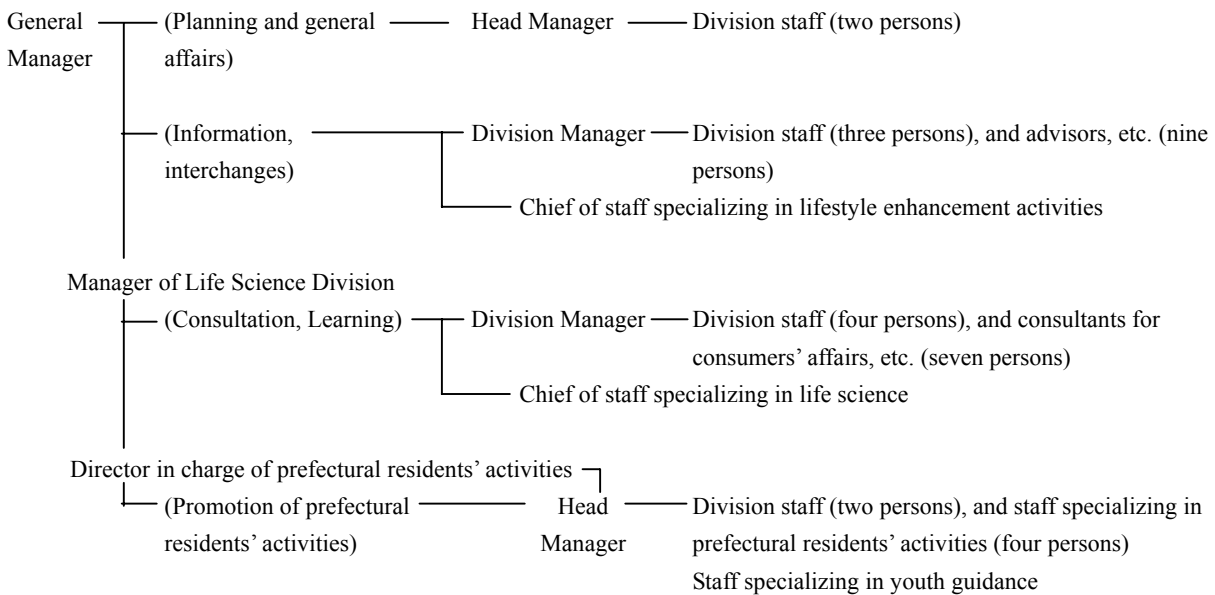
The Kobe Life Enhancement Center was established in November 1965 as Kobe Consumer Science Center at 1-1 Sannomiya, Kobe. It was relocated to the present location in October 1993, and was renewed and opened as the Kobe Life Enhancement Center in April 2000.

The facility occupies the entire fourth and fifth floors of Kobe Crystal Tower Building, and part of the second, the sixth and the seventh floors (about 2,700m² plus in total). The regions of their activities cover seven cities and one town in the Hanshin area having a combined population of 3,210,000 residents.

Their projects include:

- (1) Consultation on consumer support
- (2) Collection, management and provision of consumer supporting information, and consumer science information
Home Page: <http://www.sozoc.pref.hyogo.jp>
Phones: Consultation (078) 360-0999
 Information (078) 360-8540
- (3) Operation of Lifestyle Enhancement University (a long-term program to nurture local leaders)
- (4) Support to lifestyle enhancement activities (prefectural residents' activity groups, NOP's, etc.)
- (5) Utilization of facilities (galleries, practical rooms, conference rooms, studios, etc.)

The organization and the number of staff members are as follows:



Outline of Consultations in 2001

1. Total consultations of seven prefectural centers were 14,397, out of which complaints were 9,509.
2. Sixty-six percent of complaints were for sales not made in shops. The number of complaints about services exceeded that for goods.
3. Characteristic consultations sharply increased for those related to the Internet and cellular phones.
4. The Consumer Contract Law (enacted in April 2001) was utilized in the settlement of 97 problems

Consultation Case 1: One-ring Call-back System of Cellular Phone and Hefty Bill

I responded to the “one-ring call-back system” (which rings a phone number once to leave the sender’s phone number in the incoming calls list of the receiver) telephone number, and the call went through to an information provider. I disconnected the call immediately, but the provider called me at a later date saying they would send a bill amounting to 190,000 yen to me. Should I pay the bill?

Consultation Case 2: Substituted Provider

I received a bill of 550,000 yen for international calls that I did not make. I checked with my provider and found that the provider had been substituted with an overseas provider. Should I pay the bill?

Consultation Case 3: Indiscriminate Sending of Bills

I received a post card asking for payment of 28,930 yen for the call charge of “two-shot dial” services that I did not use. I’m worried because it states they will take legal action if I do not pay.

Consultation Case 4: High Late Payment Charge, Intervention of Collection Company

I used a couple of “two-shot dial” services four months ago. I left the charge unpaid. Then, I was charged 2,160,000 yen including the late payment charge and investigation charge under the name of the collection company.