In previous articles, we've discussed how a prospective student can determine what is best for him/her when choosing a school. We explained that although experience is the greatest teacher, the student doesn't have the experience to evaluate the teacher's experience, and that checking into a teacher's lineage can be unproductive. We were left with the thought that a consumer had to depend on some sort of bar association or board, and that brought up the old saw of government regulation.

## **REGULATION AS GOOD BUSINESS?**

# **Tony Annesi**

(First published in 1992 by *Inside Karate*, it deals with the "recognition of validity" problem in the martial arts as it was during that period.)

#### **PREFACE**

In an editorial in a new martial arts magazine that, for the most part, offers valuable information on business practices, the publisher extols regulation as good business. This author, disagreeing with that point of view, sent this counterpoint to that magazine which, understandably, refused it as against editorial policy. The editor sent a kind letter of criticism expressing disagreement with my final point that contrasted freedom with regulation. "Regulation is freedom," he stated. That type of Animal Farm logic, prompted me to submit this editorial to Inside Karate. Certainly there are problems in the martial arts and certainly there are many well-meaning people who would like to address these problems, but to embrace regulation as either good business or freedom is such a contortion of rationality, that even some one like me who welcomes resolution of contentions on the grounds of commonality and reframing, must speak up if for no other reason than to make the opposite point of view discernable to the martial arts public.

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There it is, up on the wall, this year's certificate of participation in the national regulating authority. It wasn't that expensive after all, considering it may have stopped those no good, phony upstarts from horning in on my territory, while simultaneously letting the public know that I am the legitimate martial arts school on the block. I wonder why everyone is not beating a path to my door. Maybe they don't understand the amount of money and effort that went into that little piece of paper. Maybe they don't understand that acceptance by this commission means that they really should prefer my way of teaching and doing business. Since almost everyone in the state has contributed to the cause of "self-regulation" maybe they cannot determine the bad guys from the good guys any better than before. Hell, Joe Hotshot just opened a big school in the next town and the commission accepts him! He passed the requirements, but I happen to know that he has shaky credentials, cannot teach worth a whistle and charges his students an embarrassing amount, more because of his facility than for his instruction.

Oops! That certificate reminds me that I was supposed to register my three new black belts with the commission. That means I have to collect more fees from them. But they'll be willing to pay up. After all, it will mean that their black belts are legitimate. Of course, since I have been teaching for the last twenty years, I suppose they felt that they were legitimate before the commission came along. Now they are no more legitimate than Joe Hotshot's black belts who get promoted in half the time.

Well, at least this idea of "self-regulation" has brought us martial artists closer together. We all pay the same fees; we all get the same certificates; we all must adhere to the same minimum standards. We all feel it will not behoove us to work harder than the minimum standards since reputation means so little now. We all feel that perhaps the commission should not have recognized Joe Hotshot or Sam McSham. Unity through regulation—what a comforting concept!

As I see it, a regulating body can have only one or more of the following missions: to **validate rank**, to **identify fraudulent claims** by martial arts instructors, to encourage and enforce **minimum safety standards** in martial arts schools, to register martial arts schools in order to more easily **enforce future regulations**, and to **collect fees**. If this is good business, I fail to see what is *good*, although it is clear that it can create a *business* for those serving as regulators. And I often wonder who will regulate that business.

Let me go over these possible missions briefly, one at a time.

#### TO VALIDATE RANK

What makes a rank valid? A rank is one instructor's estimation of a student's abilities, knowledge (and sometimes accomplishments and character). A rank from a board or federation just adds the pseudo-validity of numbers to the process. We all have seen *yudansha* (black belt holder) whose rank was given by a board and to whom we would not offer a green belt. In order for a regulating body to validate a rank, it can only ask the instructor who signed the certificate if in fact he/she signed the certificate. To go any further means that one would have to validate that instructor's rank and then his/her instructor's rank, etc. back to Funakoshi, Itosu, Matsumura, Kusanku, or wherever the process led. Who is going to validate *their* ranks? By what standards are the old masters' ranks valid?

If a commission were to "grandfather in" martial artists of note, then guys like Fred Vallari and Ed Parker (both of note and both of the art of Kempo) would be sharing a berth, since both created their own arts and acquired ranks for themselves by

dint of having been their art's creators. Not only do these two not get along, but also standards in their schools are based on two different ideals of training. So many invented ranks have now become nearly orthodox that it is impossible to separate the wheat from the chaff. People make underhanded comments about Freddie V's rank all the time, but they seldom contest Eddie P's status. I don't intend to pass judgment on either of these fellows, nor on their ability to found an art or award themselves a title. I will wager inflated dollars to fattening doughnuts that giving both equal status would not sit well with the students of one or the other. In fact, I can hear the cards and letters coming in now! But it would be up to the commission to find out which is legitimate, to define legitimacy, and to expose illegitimacy! Can anybody do that objectively? It has been said that, after a certain time, those who start of being outcasts because of "unacceptable" behavior soon become "legitimate" and then grow into "renown". Is time the only true test of legitimacy? If so, how will a regulating board speed up time?

### TO ALLEVIATE FRAUD

Every state has fraud laws. Every state has Better Business Bureaus. If consumers do not use them what makes anyone think that a regulating commission will be able to ferret out fraud any better? Someone still has to report it! If blatant fraud exists, any level of government and even the reputation of the marketplace will ferret it out. One doesn't need a regulating commission for that! But blatant fraud is not the problem. The problem, at least in my experience, is shoddy business practices combined with creative advertising (not actually fraudulent or illegal in either case). Let me give you a simple example. In my area, we have had a supposedly traditional martial arts school that teaches t'ai-chi, samurai sword, Chinese Weapons, and other goodies within a Korean tae kwon do base. Some of their arts are not Korean in origin or derivation, however it is not illegal to combine one's knowledge of 5, 6, 7 or 8 martial arts from various lineages nor to create a system by which they are supposedly taught to the public all at once no matter how superficially. Certainly a regulating body does not want to stifle creativity, marketing, or an instructor's teaching method. You and I know that some of the bizarre claims made by martial arts businesses are, let's say, extreme, but the public doesn't. And yet, short of educating the public (which is a long term process) there is no defense against this sort of thing. If the government went in and said to these instructors, "Okay, show me your tai-chi", all there would be to see is semi-competent tai-chi but they would have to let it pass. What else could they do? Close down all tai-chi teachers who are lower than master level or who are still learning themselves?

Part two of the problem is shady (but legal) business practices. There are schools who suck people into their doors at a rather low monthly rate and then sell them, after a month or two, on their own innate martial ability (and a fast-track contract for twice the monthly rate). Then, a month or two later, comes the pitch for the black belt contract. The school mentioned above sells a 4-year black belt contract for \$10,000! Other contracts follow after less than a year. The sell is done with heavy pressure bordering sometimes on intimidation. I have had reports of students being told to sell their newly bought vehicle to fund their martial arts training which was "more important". Yet every week people bring in checks. You and I know that \$10.000 in any market in North America, Europe, Japan -- hell, all over the world -- is exorbitant, but it is not *illegal*. Nor should it be. Should the government or an appointed bureau control the value one puts on one's instruction? Should you have to apply to a board for rate increases? No thank you. That type of practice can quickly kill a business. So the "bad guys" are not exactly fraudulent, but in bad taste. One cannot legislate "good taste" in business practices.

#### TO ENFORCE MINIMUM SAFETY STANDARDS

Nobody wants unsafe schools, especially where children are involved. The trouble is that nobody can say for all martial arts (contact, non-contact, throwing, non-throwing, sport, non-sport) what is unreasonably dangerous and what is simply challenging. Oh, it would be nice for all head instructors to have had a course in first aid, but will this have to be maintained every year? Will each assistant instructor have to take this course? What if your assistants are out sick and you have to press a brown belt into teaching beginners for one or two nights? Are you then illegal and unsafe? I would agree that each martial arts school should have a first aid kit and an emergency number by the phone, but these are little items that any consumer can be educated to look for before choosing a school. They are not worthy of a federal bureau or agency.

Is the accredited instructor *always* to be at his school? What if he/she has five branches or is away on seminar? An easier and as effective a method to encourage consumer safety in martial arts schools is for the state government to publish some safety guidelines for martial arts schools. In other industries, insurance companies would help in this regard, but insurance is very expensive for martial arts schools because of the perception that martial arts are "fighting" and thus subject to frequent injuries, so it is unlikely that insurance companies will care to publish rational "guidelines" for consumers to watchdog their own safety. According to 1979 statistics, reported injuries from martial arts were in the lower 50% of common American

Athletic endeavors. Skeet shooting had the least injuries (200 of the 3.4 million reported), but their rate of injuries per participant was 50%. About 1/3 up the list was Badminton with 3, 500 injuries and a rate of 31.5%. More than halfway down the list was martial arts with 11,900 injuries and a rate of 30%. Above martial arts on the list was Golf, Bowling, Tennis, and in the upper third were Soccer, Wrestling, Basketball, Football, and Baseball. The most reported injuries (570,000) was in Bicycling, a number 47.9 times greater than that of martial arts (Source: Us Consumer Products Safety Commission). Is there a movement to require inflatable sacks to balloon from bicycle handlebars when they stop abruptly or tilt over too far?

I concur that there are instructors whose normal practices are more severe than you or I would tolerate. They tend to attract students who want more severe training. Others find other schools. No matter how well an instructor is trained or how heavily he/she is certified, what is done in his school is his business. A safety license does not make him a safety-conscious instructor. Only the student who chooses to participate in a martial sport or martial art can determine a reasonable standard of safety in that activity. They choose what they want or they quit and find something they like better.

Part 2 of *Regulation as Good Business*? reveals several self-serving purposes of government regulation.