

REGULATION AS GOOD BUSINESS, Part 2

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.)

In part 1, we discussed three possible missions for a governmental body setting standards for the martial arts business: (1) to validate rank, (2) to alleviate fraud, and (3) to set safety standards, and found that if each could not be performed adequately by private means, government could do no better. In part 2, we investigate several self-serving missions a regulating body, government or otherwise, might intend.

TO REGISTER SCHOOLS FOR FUTURE REGULATIONS

This is a task that the government or government-sanctioned body can pull off rather well. Unfortunately if registration is voluntary, the good guys are the ones who will register and who will be regulated. The no-goodnicks will do neither. If regulation is mandatory, then it is only *enforcement* that will be voluntary. No group of martial artists is big enough to patrol *all* the martial arts schools everywhere in any Western country, save San Marino and Monaco.

Who will be included in registration? Only schools whose instructor does martial arts as a prime profession? Well, that will leave out a big chunk! Only those whose instructors charge money? What about those who are teaching a few people in their garages on Saturdays and get a few bucks compensation for it?

What will be the purpose of registering martial arts instructors in this case? Why, to be able to keep track of them in case more "relevant" regulations are forthcoming. Since simple registration cannot wipe out frauds, invalid claims to rank, or unsafe practices, registration serves only to corral known instructors "for their own good" (whatever that is), or for the purpose of collecting fees.

TO COLLECT FEES

No problem here. This would be a neat source of income for any government or any government supported body. Here is the problem: who pays? And for what? What do you and I get for a mandatory fee each year? What if we choose not to pay, but are recognized in the martial arts community, and are ethical, qualified martial artists? All fee collection does is create a new class of bad guys from the good guys who simply recognize that they have nothing to gain from the well-meaning actions of some other good guys.

A FINAL PHILIPPIC

Let me make one more overriding point. There are a number of unqualified (in my opinion, perhaps in yours as well) or deceptive instructors teaching in the USA, Canada, Europe, and even in Asia. They fall into two groups: (1) the nickle and dime brown belts who want to be black belts but are too impatient to earn their rank in an established school and are looking for a quick route to quick money, and (2) the established black belt who inflates his credentials, creates his own history, and gets a large and lucrative following. The first fades out within a short time -- he is found out rather easily and although a few people may have been taken, no great numbers are affected. The second type of instructor often has the resources and the know-how to wend his way around any regulations, commission exams, verification of claims, and can produce any number of satisfied customers. All a regulating commission will be doing in his case is to sanctify the unsaintly. An Okay from a government body will give authority and legitimacy to those established instructors or franchises that the marketplace considers only borderline. These established schools of dubious credentials and dubious instructional value will actually *profit* by a government board! Recognition from a regulating authority will allow them to say to potential clients, "See, we've been saying for years that we are okay. Now a government-recognized authority has proven it!"

Since I favor freedom over regulation, I believe that consumer education and reputation are more powerful, more successful and less expensive than any government action could be. I recognize that these methods are slower. However, we have been working for over a quarter of a century to educate the consumer and build our personal reputations and the reputation of the martial arts without phony hype, and we have gotten to the point in North America where people are beginning to understand that claims are not always what they ought to be, and that reputation means more than advertising. It has been a long process and not an easy one. Every big martial arts movie brings a surge of students into all schools, good and bad, but the repercussions of those boom periods is to make the consumer a little more knowledgeable and a lot more wary. Let education run its course. Let the market do its work. Let the consumer choose and re-choose if he/she so desires. Existing laws will cover fraud. Existing Better Business Bureaus (or similar associations) will cover registering complaints. And nothing, nobody, no board, no law can solve the challenge of shady practices in the field of martial arts. If legal action could do this, there would be

no less-than-ethical lawyers, no quack physicians, and no false advertising in any industry. If any shady practices exist in these fields, it is because they manage to circumvent existing laws. The usual counterargument is that the situation would be much worse if it were not for regulation. Sorry, it is not regulation that prevents abuse of authority but fundamental laws recognizing individual rights and marketplace incentives respecting those rights. To the extent that you can trust most doctors, lawyers, and merchants, it is because most benefit from serving you well and fairly, and because they come recommended by a friend. This is called "reputation", not regulation. This is called the marketplace. This is also called liberty. It is not perfect or ideal, but it works.