

# Common Rules, Common Sense

By Yukichi Amano

Japan is reeling from the most recent financial scandals. As one broadcast journalist phrased it, "Just when we thought events in Eastern Europe marked the collapse of socialism, we see events in Tokyo portending the collapse of capitalism." It may be that this is an exaggeration—that recent events betray not only in Japanese capitalism—but they do set one wondering how capitalism is to reconcile its many contradictions.

I was amazed to hear that the securities companies had been compensating their major clients for trading losses. It seemed such a transparently foolish thing to do. One of the attractions of investing for the general public has been that there are certain rules and that everybody plays by the same rules. But now we find we have been playing with loaded dice.

## Sense of shame

What is even more amazing, many of the compensating securities companies and compensated clients (among them some of Japan's bluest-chip companies) do not seem to realize even now that they were doing anything wrong. There are even some who blithely contend that, "That's the way business is done in Japan," and who have no sense of wrongdoing at all.

For some reason, I could not help but recall Ruth Benedict's *The Chrysanthemum and the Sword*. In this classic work, Benedict contrasted the Western "guilt culture" with the Japanese "shame culture." Whereas Euro-Americans' behavior is largely governed by their awareness of guilt, she says, Japanese have little sense of guilt. Instead, Japanese are governed by a sense of shame and a desire to avoid being shamed before the world.

This analysis is basic to her work. While I would very much hesitate to say that this concept encapsulates Japanese thinking and would even argue that the Japanese concept of shame is a multifaceted thing at times tangential to pride,

I must admit that her analysis does have a certain validity.

Applying this to the financial scandals, the companies that were compensated for their trading losses seem to be saying that they were not the only ones compensated—that everybody was doing it—and that there is therefore no shame involved. There is a wry cliché in Japan about how nobody needs to fear crossing the street against the light if everybody does it, and the big companies seem to feel the same way about having been compensated. Otherwise—meaning if they had any sense of wrongdoing—they would donate the funds to refugee relief or some other worthy cause.

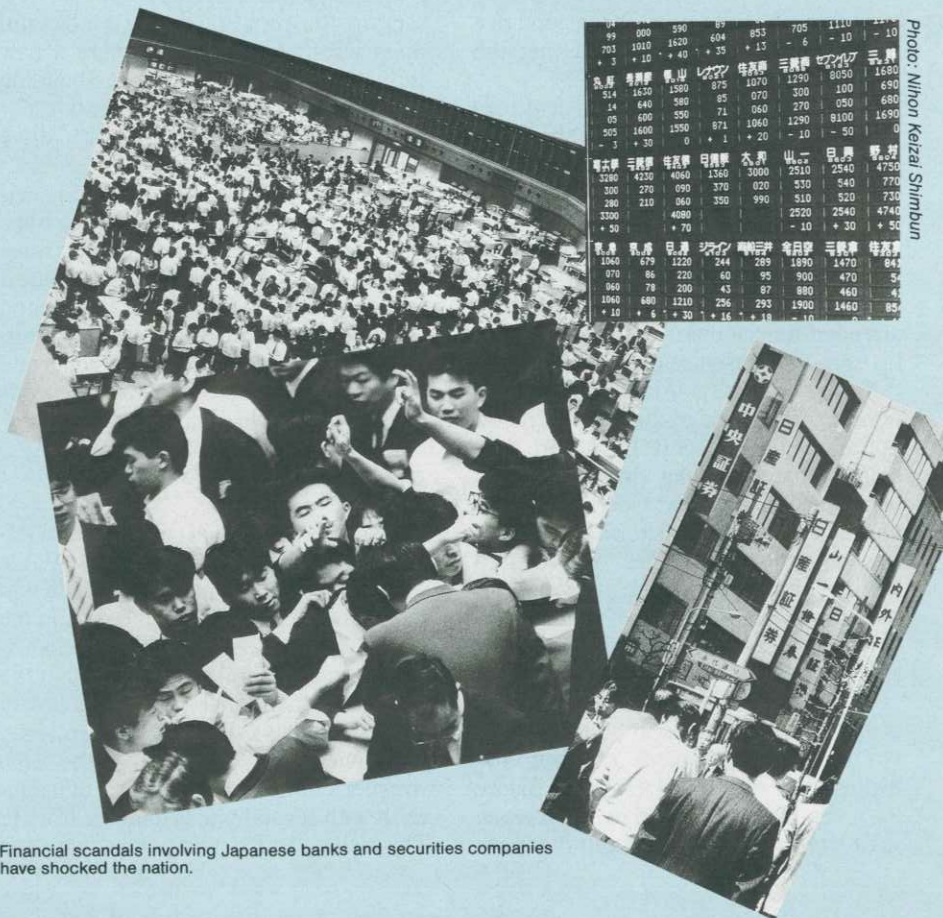
In fact, being Japanese, I am a little embarrassed to be airing this dirty laundry in

public for an international audience. But I have seen so many scandals involving politicians, securities companies and every other kind of business that I am hoping the fresh air and sunshine of exposure will help to disinfect the Japanese system and purge it of some of its evil.

In fact, I know a number of politicians and businesspeople who have said they welcome this latest scandal—who are glad that it has come to light and who say they hope it will lead to major reforms in Japan.

## Tolerant public

There is an old saw that says even the hottest food is no longer hot once it has been swallowed. Another one says ru-



Financial scandals involving Japanese banks and securities companies have shocked the nation.





mors live but 75 days. But I hope this latest scandal will prove both of these sayings wrong. The amazingly tolerant (which is to say apathetic) general public seems truly upset at this dirty underside of Japanese business and politics.

Having been urged to get on the stock bandwagon before it was too late, ordinary investors are appalled to learn that this was just a Ponzi scheme designed to siphon off their hard-earned savings. This is not some fire on the far bank. Instead, the sparks are flying in our own neighborhood, and I think there is hope that the people will rise up in anger.

One of my newspaper friends has speculated that this latest scandal would never have come to light if there had not

been so many little investors in the stock market. When the great masses of amateur investors started playing in a market that was still dominated by people from an earlier era, things that had been accepted as commonplace were revealed as aberrations. This, he says, is what sparked the initial disclosures.

Even though this is by no means the whole story, I suspect this is at least part of it. And this is a very encouraging development. The corrupt practices of old will not give way except in the face of overwhelming force from the unschooled masses. I am hopeful that this latest round will provide the impetus for an outpouring of normal values and corrective action.

Just the other day there was an angry letter in the paper from a 61-year-old man who wrote, "We did not work night and day for the last 45 years to rebuild the country for these sleaze bags to ruin." I know that no one is perfect—not the politicians, not the rich people, and certainly not me—but that is all the more reason why everybody has to play by the same basic rules. ■

(This is the fourth of five essays by Yukichi Amano.)

*Yukichi Amano is a popular columnist and critic on advertizing and mass-media commercials.*