

The security business in Japan thus developed, not because of a sharp increase in crime, disasters or accidents, but because both private companies and the police needed to rationalize security duties and bring down personnel costs. Consequently, the prime competitive factor in

the security business, after the quality of security provided, is cost. In price competition economies of scale naturally play a big part, leading to an oligopoly. At the same time, they spur security companies to use electronics equipment in order to cut down the cost of providing their service.

In 1982, Secom earned ¥55.3 billion (\$230 million) and Sogo Security Service Co. ¥43.4 billion (\$181 million). These top two far outstripped all the rest. The earnings of the third-ranked company were less than ¥10 billion (\$41.7 million).

In sickness and in health

The security industry has high hopes for the family market in the 1980s. Secom marketed a home safety system in 1981, and other leading companies with electronic systems have followed suit.

Before World War II, it was common in Japan for three generations to live under the same roof. In regional communities there was a deep-rooted tradition of mutual help in maintaining security. However, after Japan adopted the new postwar Constitution, many of the old systems collapsed. Its subsequent high economic growth accelerated urbanization, causing a sharp increase in nuclear families of only a couple and one or two children, and a decline in community solidarity. And in the 1980s, the aging of the Japanese population is proceeding at an ever faster pace. These developments have opened up exciting new business opportunities for security companies.

Public law and order prevail in Japan today. The crime rate in 1980 was 10% lower than in 1966. In such a safe country, whom are the security companies trying to protect from what? Their family security service aims to protect and provide emergency assistance to members of nuclear families who, by definition, live in isolation.

In the old extended family, when a young couple went out their parents looked after the grandchildren. When someone in the family suddenly became ill, there was always someone in the house to come to their aid. When an accident occurred, neighbors were always ready to help.

In the present age of nuclear families and working wives, however, a new system is necessary to shield children, the aged, and the sick left alone at home.

The home security systems offered by security companies answer this need. The first aim is to protect a residential property from fire, gas leaks and burglary when the occupants are away. But recently, a medical emergency service has been added to home safety systems. Alarms are worn around the neck of the aged or bed-



Secom Co., Japan's largest security company, is fully equipped with computerized guard systems.

ridden. Should they feel their condition worsen, a press on the alarm button will bring a security man rushing to the home to summon a doctor or inform family members of the emergency.

In the near future, this medical emergency service will go on line around the clock with the help of sensors installed by the patient's bed. Medical expenditures in Japan ballooned to ¥14 trillion in 1983 and the national health insurance scheme has become a heavy burden on a government struggling to trim a huge budget deficit. Furthermore, the rapid graying of Japanese society is expanding the need for medical care, even as around-the-clock care by doctors and nurses is becoming increasingly difficult because of personnel costs and inadequate manpower.

The emergence of CATV networks using optical fiber, and advances in personal information control with microcomputers permit automated 24-hour medical care for patients at home. Security companies will soon be called upon to supplement medical care by doctors with 24-hour monitoring of patients at home and family health control services.

Secom is preparing to launch multi-purpose, interactive CATV services in Sendai, Niigata and other key regional cities in the spring of 1987. If this service proves successful, it will also open a profitable new line of business for embattled cable TV companies.

Armed with a uniform

The security industry developed as a sub-system of the police system. Now, it is trying to develop expertise as a sub-system

of medical care. It is also shifting from the peripheral function of protecting companies from accident and crime to overseeing the production process itself. Engineers are called in only when something serious happens.

It is difficult for security companies to recruit capable young men because they pay minimum wages and require night work. Therefore, the quality of their employees is often poor—so much so that crimes are frequently committed by the guards themselves. This became such a serious issue that the Diet, Japan's national legislature, passed the Security Service Business Bill in 1972. This law prohibits security service companies from employing certain categories of ex-convicts, and obliges them to provide guards with a certain level of training, guidance and supervision.

Despite such restrictions, small- and medium-sized security companies have mushroomed, largely because they can start in business simply by registering with the prefectural public security commission. As a result, the quality of security guards did not improve at all. In 1982 the law was revised to tighten up conditions for starting a security business. It was amended again this year to set standards for machinery and equipment and to make it mandatory for companies to provide appropriate training for the personnel manning the equipment. The repeated revisions are themselves an indication of the proliferation of low-standard security companies.

Another problem outstanding is the ambiguous legal status of security guards. From the government's point of view,

Table 3 Crime Prevention Devices at Financial Institutions (As of October 30, 1981)

Institution		Total	Banks	Mutual loan and savings banks	Credit associations	Credit cooperatives	Agricultural cooperatives	Fishery cooperatives	Post offices	Others
No. of establishments		63,987	9,189	3,918	5,852	2,567	16,843	2,186	22,498	934
Anti-crime device	Emergency alarm	27,279	9,026	3,823	5,420	1,959	3,688	219	2,468	676
	Anti-crime TV	7,233	5,044	622	1,059	117	297	4	29	61
	Anti-crime camera	22,439	8,442	3,518	5,038	1,571	2,878	55	486	451
	Screen above teller barriers	18,687	2,258	407	695	160	1,207	284	13,572	104

Source: White Paper on Police

guards supplement police and firemen. It would be convenient for administrative reasons to grant them some power and authority. However, from the standpoint of protecting personal liberties, it is undesirable to have security guards take police action or intervene in the freedom and privacy of average citizens. The Security Service Business Law stipulates that the duties to be performed by security service companies are: (1) to guard against and prevent accidents at offices, homes and places of entertainment; (2) to guard against and prevent accidents and injuries at places congested with pedestrian or vehicular traffic or at places where passage is dangerous; (3) to guard against and prevent the theft of cash, precious metals and valuable art objects in transport; and (4) to protect individuals from harm. These are only illustrative provisions, and have no binding power on the industry.

Because the law does not stipulate the authority of security guards, their legal status is no different from that of ordinary citizens. Therefore, they are not allowed to carry weapons even for self-defense. To disguise this lack of authority, security companies clothe their guards in uniforms similar to those worn by regular police.

In Japan, the uniform has a deep psychological impact on both citizens and the security guards themselves. Until the end of World War II, the government and the military ruled the country with an iron hand, and the uniforms worn by government officials, policemen and soldiers were the symbols of authority and power. The uniform made citizens submit to authority without question.

This respect remains imbedded in the mind of the Japanese people, and they feel no resistance to obeying the instructions of a uniformed security guard.

Criminals who would violently resist any attempt by ordinary people to intervene in their actions would flee rather than tangle with a uniformed guard. And once in uniform, even a timid and meek person is bold enough to intimidate people he suspects of questionable behavior. The uniform gives him the feeling he has been invested with power and authority.

Both the law-abiding citizen and the criminal-minded feel the pressure of authority when they see a uniformed guard because they instinctively think that behind him stands the power of the police and fire-fighting organization. However, it is not the security guard's duty to apprehend a person who has committed a crime. When he sees a person engaged in a criminal act, his first thought is to inform the police. The guard prefers to keep a safe distance and wait for an officer to arrive. Cases in which security guards cooperated with police in this manner skyrocketed from 4,798 in 1974 to 20,426 in 1982.

Robots

The security industry is moving to introduce ever more advanced electronics to automate its services. Mechanized security systems already cover almost all city banks, mutual trust banks, credit associations and their respective branch offices. Security companies now have their sights set on agricultural cooperatives and post offices. But in these cases, there is some question as to whether the cost is worth the effort. Although smaller financial institutions, retail stores and other enterprises may wish to install an around-the-clock guard system, few can afford to pay monthly fees ranging from ¥100,000 (\$420) to ¥200,000.

In the United States, a shoplifting warning system developed for small stores

has grown into a mammoth business exceeding \$20 billion. Similar systems have made virtually no headway in Japan. This is due to Japan's low crime and high arrest rates, respectively one-fifth and 3.5 times those of the U.S. In other words, the loss caused by shoplifters is a much lighter burden on small supermarkets and papamama stores in Japan than the cost of installing a shoplifting warning or mechanized security system.

In Japan, unlike in the U.S., there is a limit to the growth of security services targeted on crime prevention. That is why companies in the business are diversifying so actively into production supervision, medical emergency services, and disaster prevention in local communities and private homes.

Meanwhile, the cost competition between machines and human labor will continue. If security companies want to hold down personnel expenses, they will have to promote automated security. The time when most security duties will be taken over by robots is just around the corner. Industry is already planning to employ robots for surveillance duty and repair work in dangerous places. The time will soon come when they will perform 24-hour watch duty in the security business as well. Information desk services and warning tasks can also be performed quite satisfactorily by robots.

Their introduction will signal the advent of a society increasingly controlled by computers. Robots cannot display the warmth or consideration that humans have for each other. In order to demonstrate their superiority over machines, security guards must establish close communication with citizens and be accepted as members of the community. And to do so, it is essential that security companies improve the quality of the service they provide. ●