

# More workers are blowing the whistle in Japan, but the risks are still great

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A CAR company that hid dangerous flaws to avoid embarrassing recalls. A meat processor that sold ground pig hearts as beef. A fancy restaurant chain that served customers leftover sashimi from other diners.

In recent years, Japan's faith in its corporate establishment has been shaken by scandals in which companies of all sizes have been caught in frauds ranging from the merely nauseating to the patently dangerous.

More shocking than the misdeeds is the fact that employees are blowing the whistle.

A decade ago, corporate whistle blowing was almost unheard of in Japan. A person's place of employment was part of his identity, and unflinching company loyalty was the highest of virtues. But the unquestioningly obedient salary earner is becoming a relic, the result of a broader transformation of Japan and the global economy.

When this country had Asia's hottest economy, fast-growing companies could afford to buy employee loyalty with guarantees of lifetime jobs, and a sense of belonging at a company that treated workers like extended family.

But this social contract began disintegrating in the economic stagnation of the 1990s, the "lost decade", characterised by declining job security and falling wages.

Now, lawyers and economists say Japanese workers are beginning to speak out — despite a still-potent risk of ostracism because of the widely held view that such disclosure constitutes betrayal.

Some employees act to defend the public interest, others to protect themselves from possible prosecution for their part in wrongdoing.

"The company is losing its place at the centre of the employee's universe," said employment lawyer Naoki Yanagida.

The first high-profile instance of a corporate whistle-blower was in 2000, when a Mitsubishi Motors employee exposed the company's cover-up of accident-causing defects, including failing brakes and leaking fluids, generating investigations that led to arrests of executives and near bankruptcy for the car maker.

Now, Japan routinely has several scandals a year caused by employees airing dirty corporate laundry, although the exact number is hard to count because Japanese authorities and media do not always reveal sources of information.

In fact, the scandals seem to be having a snowball effect, as each revelation of wrongdoing prompts more whistle blowers to come forward, say whistle blowers and experts.

This happened in one of the biggest recent scandals, in which a meat processor called Meat Hope collapsed in July after revelations that it had mixed pork, mutton and chicken into products falsely labelled as pure ground beef.

The employee who blew the whistle was Kiroku Akahane, 72, a sales executive at the company, based in the northern town of Tomakomai.

Akahane said he knew of the company's subterfuges for more than a decade, and had long felt torn between guilt towards customers and loyalty towards his company.

What finally moved him to take his story to a newspaper last year was the growing media attention on whistle blowers. This made him afraid that if he did not act first, another employee would eventually expose the company, possibly implicating him.

"Defending the public good is noble, but in the end, I just wanted to avoid arrest," said Akahane. He said that since exposing his company, he had been treated like an outcast in Tomakomai, barred from joining an annual religious festival and shunned by relatives.

He is being treated for depression.

Akahane's difficulties underscore the high personal costs of blowing the whistle in a group-oriented society that still frowns on individuals who stand out.

Japan appears torn between its traditional ethic of group loyalty, and recognition that it needs greater transparency and stronger checks and balances to function as a modern economy.

Japan has so far greeted whistle blowers with an ambivalent mixture of praise and ostracism.

Indeed, one of the most disturbing revelations has been how rampant these swindles are, particularly in protected domestic industries such as food services and agriculture.

"Whistle blowers are exposing problems that have probably existed for a long time, but were just hidden from sight," said Koji Morioka, an economics professor at Kansai University who has researched the whistle-blowing phenomenon. Morioka and others say the scandals are the product of an outdated economic system in which industries are shielded from outside scrutiny by regulators who collude with companies.

Akahane said he was ignored after visiting several government agencies, including the Ministry of Agriculture, to which he brought samples of ground meat sold as beef that contained pork hearts.

A law was introduced two years ago aimed at protecting whistle blowers by making it illegal for employers to punish them. Some large companies have also set up internal phone lines, allowing employees to report problems anonymously.

Car salesman Masakatsu Yamada, 47, called an internal line at Toyota to report falsified sales records. The person who took the call, an outside lawyer hired by Toyota, told the company Yamada's name.

Yamada became a pariah among colleagues and left his job. Unable to pay the mortgage, he lost his house and now lives in a small apartment, surviving on his wife's salary.

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<http://business.theage.com.au/more-workers-are-blowing-the-whistle-in-japan-but-the-risks-are-still-great-20080608-2nj.html?skin=text-only>