GOVERNMENT ELITES AND
AMAKUDARI IN JAPAN, 1963–1992

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Amakudari (descent from heaven), the process by which top ministry bureaucrats retire to senior management positions in private enterprises, is pivotal to the overall strategic planning and coordination of the Japanese economy. Several authors have speculated on the changing nature and future directions of this important institution. The examination of data from 1963 to 1992 reveals a complex causal dynamic underlying the pattern of amakudari placements. In addition, there appears to be evidence for the institutionalization of the Ministry of Finance (MoF) penetration of the economy. MoF has shown a continuous rise in amakudari placements and a dominant position over other ministries for almost the entire observation period.

Japan and the United States have often been juxtaposed as portraying different forms of capitalist society. Japan is characterized as the “societal” or “network” state, or the “network society” with a system of “relational capitalism,” as compared to American-style capitalism that is more oriented to the market, with the state as an administrative appendage. The relationship between the Japanese state and economy are depicted as mutually interdepen-

dent, obligatory, trusting, and mutually reinforcing parts to the whole. Noteworthy are the informal policy networks and interpenetration of government and business serving to reconcile private interests with public purposes. These networks and interpenetrations provide the tacit mechanisms that create, sustain, and redirect industrial organization and industrial policy.

The interactions and interpenetrations of the polity and economy are manifest in a myriad of multiplex relations and processes, but one of the most basic is amakudari. Government bureaucrats, upon their retirement, move from high government positions to high-level positions in private enterprise—a direction of elite mobility that is opposite to the general patterns found in the United States. Amakudari serves several functions that lubricate, and indeed fuse relations between the state and economy. It provides a basis for informal policy networks transmitting information between the state and business and a vehicle for conflict resolution and consensus building on issues of industrial policy. It also serves to consolidate close relations and mutual trust between business persons and bureaucrats. It is a mechanism of interpenetration extending and disseminating the spirit of cooperation and accommodation to fuse private and public interests into industrial policy.

A series of recent political scandals and U.S.-Japan trade talks heightened interest in the roles of bureaucrats, the mechanisms of amakudari, and network relations between the government and corporate worlds. For some, amakudari is characteristic of the “developmental state,” and will decrease because of a decline in corporations’ “very real needs” for the expertise of bureaucrats or because of continued foreign pressures to open up Japanese markets. Others suggest that amakudari is a basic institutional mechanism of “uncertainty absorption” and should increase as the complexity and uncertainty of government decision-making increases. Still others emphasize amakudari as a measure of government control over the private sector, maintaining that amakudari should be relatively stable overall, with no particular reason to increase or decrease.

These interpretations may not be mutually exclusive, differing primarily in their assumptions about Japan and its future. They share some key variables in their explanatory models, with each variable more or less salient over time. However, these interpretations are primarily supported by data for only a few years and often on the amakudari of a single ministry. This study adds to the existing empirical findings by illustrating more general patterns based on the examination of data from all ministries and agencies from 1963 to 1992. This broader spatial and temporal frame, at minimum, clarifies the empirical foundations of the different interpretations of amakudari. We explore the patterns of change in amakudari from 1963 to 1992, discussing first the major institutional features of amakudari and clarifying certain distinctions and limitations. Second, we present a descriptive analysis of changes in the ag-
aggregate pattern of *amakudari* for the period, and finally, to draw out the implications of our data, we discuss the relative pattern of *amakudari* placements among six key ministries.

**Amakudari: The Institution**

There is increasing recognition that much of the governance in Japan is not done by politicians but by bureaucrats. The sources of bureaucracy's power are its legislative and administrative roles, its experience, and mechanisms of "guidance" of the private sector. These sources of power may be summarized in the following way.

First, bureaucrats write most legislation, give it to politicians to pass, then (the same bureaucrats) interpret and apply that same legislation. In Japan, politicians and Diet members do not have their own policy-making staff but rely on the civil servants. As the ministries that write legislation are also the ministries that enforce it, these laws are often written in a vague manner in order to permit wide flexibility in interpreting and applying them. In contrast, U.S., politicians draw heavily on large staffs and groups of experts who are independent of the government bureaucracy, to initiate legislation. Once passed, a law is turned over to the bureaucrats to carry out.

Second, vice-ministers have life-long career experience as bureaucratic officials with the most seniority in a particular ministry. Their training experience and extensive knowledge of the ministry, as well as the loyalty of thousands of bureaucratic officials working under them endow them with extraordinary influence. In contrast to these "career bureaucrats," the cabinet ministers, formally superior to the vice-ministers, are temporary political appointees with far less administrative experience.

Third, "administrative guidance" of the private sector rests on Japanese law, which gives ministries the authority to issue directives, regulations, requests, warnings, suggestions, and encouragement to private organizations. These direct mechanisms encourage private corporations to operate in a manner consistent with ministry planning. Although government regulation of some markets recently has opened up somewhat (e.g., citrus, supercomputers, beef), the number of regulations actually has risen.

Fourth, "economic guidance" is the form of control ministries have over commercial loans. In contrast to the U.S., corporations in Japan are more likely to expand through bank loans than new stock issues. Ministries target

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2. Eighty percent of bureaucracy-sponsored bills pass the Diet, compared to only 30% of Diet-sponsored bills, according to Harold R. Kerbo and John A. McKinstry in *Nippon's Inner Circles: Elites and the Future of Japan* (Praeger, 1995).

certain industries for development and carry out their plans by directly influencing which corporations secure capital for growth. In addition, they indirectly influence the access to capital of target industries through "administrative guidance" to private banks and their control over the Japan Development Bank and the Bank of Japan, both government agencies.

Several studies contend that amakudari is fed by pressures arising out of the logic of the seniority system within ministries. Johnson and Okimoto, for example, discuss the process of amakudari within the Ministry of International Trade and Industry (MITI), and Horne and Kerbo and McKinstry in the Ministry of Finance.\(^4\) It works as follows: (1) entering bureaucrats, upon passing the civil service examination (type 1) and being selected for a ministry, go through extensive training and advance together as a cohort; (2) by the time these bureaucrats reach their 40s, their career mobility options begin to narrow, as there are few section chief positions, fewer bureau chief positions, and only one vice-ministership for each ministry; (3) those who are promoted to bureau chief are still in the running for vice-minister, and those who are not promoted are compelled to resign and seek a lucrative job in a private industry or public corporation; (4) ultimately, everyone must "descend" because of the unrelenting pressure from cohorts advancing from below. The usual retirement age for a vice-minister is slightly over fifty.

Not everyone competes for the vice-ministership, and many bureaucrats retire before they reach the level of bureau chief. The process of separating those who will resign early and those who will stay in the ministry is called kata-tataki (the tap on the shoulder) or mabiki (thinning out). Nevertheless, the final weeding out comes at the vice-ministerial level. One man from one cohort is chosen by the outgoing vice-minister as his own replacement, and all members of the new vice-minister’s cohort must resign to ensure that he has absolute seniority in the ministry. He and the chief of the ministry’s secretariat are responsible for finding the retiring officials (who are fellow classmates) good positions in the private sector.

At this point, retirement may take one of several forms. Retiring government officials obtain new careers along one of three general paths:

1. They move into profit-making enterprises. The movement from ministry or agency to a private business is a strict definition of "descent from heaven" (amakudari) and is subject to legal restrictions.
2. Bureaucrats move into public corporations or "special legal entities." These public corporations are established by law and financed in part from public funds. Re-

employment by such an organization is called "sideslip" (yokosuberi) and is not subject to legal restrictions.

3. Some bureaucrats move into the political world, chiefly by becoming a candidate for election to the Diet, most commonly as a member of the House of Councillors (upper house). This post-retirement career is called "position exploitation" (chii riyo), and is usually open only to bureaucrats who served in choice national or regional posts that are suitable for building general political support.5

The literature on the political economy of Japan is vague on the exact definition of amakudari. In general, it refers to a career movement of a bureaucrat from ministry or agency to private business.6 However, amakudari also refers to employment in both private and public organizations. For example, Okimoto defines it as: "leaving the bureaucracy [to] 'descend from heaven' into high-level posts in public corporations, industrial associations, and private industry."7 Still others define amakudari as re-employment of bureaucrats in private and public organizations, as well as political positions. Aoki defines it as: "bureaucrats who quit the bureaucracy after attaining positions higher than that of section director in the administrative hierarchy 'descend from the heaven' (amakudari) of the elite bureaucracy . . . become available as human resources for national and local politics, business management in private and public corporations, and other consulting activities.8

The retirement pattern of top bureaucrats is made interesting and complex by the visibility and distribution of these alternative paths out of government service. Some authors note the number and unusual visibility of ex-bureaucrats elected to the Diet,9 others see the explosive growth of public nonprofit companies since the mid-1980s as the emerging and prevailing destination of retired ministry officials.10 Both avenues of retirement merit extensive examination to illuminate the relationships binding the Japanese state and society. In this article, however, we use Johnson's first definition of amakudari, that is, a career movement of retiring bureaucrats to the private sector, leaving the questions of career movements to public and political sectors for later studies.

6. This definition is used by Johnson, ibid. p. 953, and Okimoto, Between MITI and the Market, p. 319.
7. Okimoto, ibid., p. 161. This definition is also used by others.
Perspectives on Amakudari

Recent literature on the political economy of Japan suggests three perspectives on the nature of amakudari: (1) Japanese insulation and regulation; (2) institutional imperative; and (3) government control.

Japanese insulation and regulation. This perspective contends that amakudari developed out of Japan’s need for insulation and regulation during its rapid industrialization. Although it implies a strong element of free market, the argument in this perspective takes several forms all suggesting that amakudari is in decline. One variation contends that after the rapid economic growth of the 1950s and 1960s, strict insulation was no longer needed and retired bureaucrats thus lost much of their usefulness to business.11 A second variation contends that amakudari is a form of corruption that operates to enrich certain elite groups by excluding others from Japanese markets.12 A final variation is that amakudari operates between government and business as a hidden barrier to entry into lucrative Japanese markets and thus is “a hindrance to the opening up of Japan.”13

This perspective suggests that recent trade disputes and continuing foreign pressures to bring down trade barriers and deregulate domestic markets will reduce the linkage between government bureaucracy and domestic markets. It predicts the decline of amakudari as Japan is increasingly pressured by international trade partners to reduce its trade surplus, ease inspection and certification rules for foreign goods, and shift from a producer-oriented to a more consumer-oriented society. One analyst shows the decline in the number of amakudari positions since the mid-1980s as evidence for this perspective.14 However, this short period does not represent the overall pattern, nor does the study by do Rosario offer a substantive interpretation of how “external pressures” should have affected the number of amakudari after the mid-1980s and not other periods.

Proposition 1: Amakudari had been in a decline since the mid-1980s due to outside pressures for open markets and deregulation.

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14. Ibid.
Institutional imperative. This perspective contends that as ministries achieved success over time, amakudari became institutionalized as an integral mechanism for maintaining a "ministerial fortress" and replenishing their bureaucratic ranks with talent. The assurance of postretirement careers for top bureaucrats is critical in recruiting and motivating the most talented and the brightest, who otherwise would seek more lucrative careers in the private industry. Upon retirement, a bureaucrat’s knowledge and connections are valued by business for absorbing the uncertainties of markets and government contract allocations.\(^\text{15}\)

In Japan, civil servants are powerful and accorded high respect, but they receive modest incomes.\(^\text{16}\) Respect follows from their education at the best universities and their screening through demanding training and testing. They become career bureaucrats, in part, because of career certainty, and the assurance of lucrative postretirement jobs makes the civil service even more attractive. In short, the institutional perspective suggests that the assurance of "descent" to high-profile positions in private industry becomes increasingly necessary to attract the requisite talent. This perspective implies that uncertainty is positively related to amakudari placements, and that market, technology, and political uncertainties affect the process. In view of international trade pressures, emerging global markets, and political scandals such as those that led to the fall of the Liberal Democratic Party in 1992, one would expect the bureaucratic elite to become more important and the talent requirements of business all the more pressing. This perspective suggests a general increase in amakudari placement over time.

Proposition 2: There is a general increase in amakudari over time as global uncertainty increases and ministries attempt to maintain their continued success by attracting the brightest and most talented.

Government control. To many authors, amakudari is an important mechanism of government control over private industry. The private sector participates because of the extensive licensing and approval authority (kyoninkaken) held by the ministries, although some firms and industries are more receptive to amakudari placements than others. According to this perspective, there is greater receptivity of amakudari placements in industries and firms that are subject to "administrative guidance" by the government. The ministries do not give direct orders to businesses but those firms that listen and respond to


\(^{16}\) As Kerbo and McKinstry (Nippon’s Inner Circles), illustrate, it is not high income that attracts the brightest and most talented young college graduates to pursue civil service careers. In 1984 a majority of the bureaucratic elite made only $48,000 to $79,000, while income among the majority of industrial elite was at least twice that amount, at $160,000 or more.
the signals coming from a ministry are favored with easy access to capital, tax breaks, and approval of plans to import foreign technology or establish joint ventures. Thus, the government-control perspective suggests that the absolute number of *amakudari* is a measure of the extent of government control over the economy.

This perspective is rooted in a recognition of the unique political economy of Japan—that is, the institutional configuration of Japan as a state-directed economy that is nonsocialist. War and industrial development are viewed as having created an “organic interdependence,” but an interdependence controlled by the state. In this sense, the number of *relationships* between each ministry and the private sector is the most appropriate measure of ministry power, and a measure of the degree of government control of the economy is the number of *amakudari* placements. Variations of this perspective speculate on the waxing or waning of this bureaucratic control, but in the aggregate, this perspective simply identifies annual *amakudari* as a measure of that control.

**Proposition 3:** *Amakudari* placements are a measure of the degree of bureaucratic control of the private sector.

**Data and Results**

Our data derive from the annual reports of *amakudari* published by the National Personnel Agency for the period 1963–92 for all ministries and agencies. The initial publication year on a systematic basis was 1963 after the Diet had amended Article 103 of the Government Employee Act (*Kokka Komuin Ho* 103) and mandated the public disclosure of *amakudari* reports in 1962. Each annual publication contains information on ministry positions of bureaucrats in their last five years of service and the description of new positions in the private sector for all the ministries and agencies (about 40) that had *amakudari*. Japanese law prohibits bureaucrats from accepting positions in private enterprises regulated by their ministry for two years after leaving the civil service. The National Personnel Agency has the power to approve or disapprove *amakudari* of retiring bureaucrats at the level of section chief and above.

**Overall Trend**

The total number of *amakudari* ranged from a low of 123 in 1967 to a high of 320 in 1985, with a mean average of 205 over the 30-year period, 1963–92. The examination of data in Figure 1 reveals the presence of three minor peri-

ods: 1963–75, 1976–85, and 1986–1992. The number of amakudari was most stable in the first period, with an average of 161. In sharp contrast, the second period involved an explosive rise, from 159 in 1976 to 320 in 1985, with the average number of 241 amakudari during these ten years. The magnitude of this increase was over 100%. In the third period the number declined, from 252 in 1986 to 209 in 1992, representing a 17% fall. During this seven-year period, the average number of amakudari was 236.

The question of whether amakudari is on the rise or decline depends on the period selected for examination. Period two, 1976–85, shows a sharp increase, suggesting support for the institutional perspective. Period three, 1986–92, shows a precipitous decline, lending support to the Japanese insulation and regulation perspective. Period one, 1963–75, and the overall 1963–92 period with the average of 205 amakudari, suggest that the patterns in the mid-1980s were an aberration. In general, amakudari placements are in the range of 150 to 250 and rose slightly over the 1963–92 period.

The interpretation of fluctuations in amakudari over time is problematic, because logically one would expect that what caused increases in the second period was inverted in the third. This symmetry is not apparent. For example, the Japanese insulation and regulation perspective points to amakudari decline in period three, contending it is symptomatic of Japan’s opening up its markets. However, this perspective offers only a partial explanation for the overall trend of amakudari in the past 30 years. It fits nicely with the continuing decline in amakudari for period three in Figure 1, but the argument is contradicted by the modest but overall increase in amakudari for the entire period. It certainly cannot explain the sharp rise in period two. Was Japan closing its markets after the first oil shock? Similarly, those supporting the institutional perspective might point to period two or the overall trend and argue that amakudari is institutionalized into the political economy of Japan. However, does this mean that amakudari is now being “de-institutionalized” during the third period? Are bureaucrats less talented or is the environment less uncertain? The distribution of amakudari over the past three decades suggests that the underlying causes of change in the system may not be uniform across the three periods, reflecting different causal dynamics during different periods.

18. Some contend that after the mid-1980s, U.S.-Japan trade negotiations entered a qualitatively different new phase, characterized by “managed trade talks.” For example, the U.S. began to apply enormous pressures on Japan to guarantee a 20% market share for semiconductors, and threatened sanctions if this was not achieved. Equally significant is the Plaza Accord of 1985, which appreciated the value of the yen against the American dollar, making Japanese products more expensive to American consumers. In February 1985, the exchange rate stood at 263 yen to the dollar; the current rate dropped to 87 yen to the dollar, diminishing the abilities of Japanese corporations to compete in the international economy.
FIGURE 1
Overall Amakudari Placements (1963-1992)
Trends by Ministry

Each of the three general perspectives has ministry-specific applications. The causal models underlying each general perspective may be applied, without doing much violence to the theory, to each ministry and its domain of responsibilities. In many ways, the process of amakudari is better applied at the ministry level, because it is there that authors have asserted its meaning. For example, Okimoto says that amakudari placements reflect the leading growth sectors of the economy.19 Thus, the insulation and regulation perspective suggests that as Japan becomes a more consumer-driven society, the sectors in which regulation and certification are eased will have a declining number of amakudari positions. This would imply an easing of regulations and decline of amakudari in mature declining sectors of the economy. The institutional imperatives perspective suggests that amakudari placements for any ministry should increase to the extent that it continues to attract the best talent and its sector experiences technological, economic, or political uncertainty. Those sectors with the most uncertainty and needing the most talent would be those strategic sectors “targeted” for growth.

The government control perspective suggests the amakudari placements of particular ministries are both a measure of their control over the economic sector they regulate and a measure of their relative power vis-à-vis other ministries. Johnson points to a change in the distribution of amakudari positions among different ministries since the mid-1970s, indicating the changing influence of those ministries.20 Johnson’s and Okimoto’s examination of data on amakudari for 1963–73 and the year 1976, respectively, suggest that power has shifted among ministries, in particular the relative decline of MITI along with the rise of the MoF.21

There are 12 main ministries and some 30 agencies in the Japanese government; not all are equal in “importance and power.”22 MoF and MITI are considered by most observers to be the most powerful ministries, in part because of the scope of their responsibilities. MoF is supposed to govern macro economic policy and MITI governs most domestic and international industrial policies. The other ministries and agencies have narrower, industry-spe-

22. Subjective interpretations vary on which ministries are the most important and powerful. Kerbo and McKinstry (Nippon’s Inner Circles) suggest the most important and powerful are the Ministries of Justice, Finance, Foreign Affairs, and MITI. Okimoto’s (“Political Inclusivity”) survey of 21 government officials indicated the Ministry of Foreign Affairs to be only “fairly influential” and does not mention the Ministry of Justice. In contrast, the Ministry of Foreign Affairs is very weak based on our behavioral (as opposed to a reputational) measure of “influence and power” (i.e., amakudari).
specific responsibilities and, therefore, a narrower group of clients. Ministries in charge of functionally specific sectors like the Ministries of Agriculture, Forestry and Fisheries, Construction, Transport, Health and Welfare, and Posts and Telecommunications are powerful vis-à-vis the other ministries and agencies.23 Their regulatory responsibilities are high as are the adherence to directives and mutual interdependence of government and business, resulting in incentives to develop and maintain extensive networks through amakudari placements.

Table 1 summarizes the top five rankings of ministries in terms of the number of amakudari over time. It shows the dominance of the Ministry of Finance. MoF has retained the top rank since 1965 by placing the largest number of retiring bureaucrats in corporations. MITI is much less stable than MoF, but it is the next most powerful throughout the observation period, ranking either second or third except in 1975 and 1992. Next to MITI is the Ministry of Construction, fluctuating between second and fourth places. Transport ranked consistently behind MoF and MITI, but after the mid-1980s, its ranking was in clear decline. Agriculture, Forestry and Fisheries moved up over time, ranking fifth in 1965 but fourth in 1970 and 1975 and third in 1985 and 1992. The Ministry of Posts and Telecommunications entered the top five rankings from time to time during the 1963–92 period.

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NOTE: MoT = Ministry of Transport; MoF = Ministry of Finance; MITI = Ministry of International Trade and Industry; MoC = Ministry of Construction; MAFF = Ministry of Agriculture, Forestry and Fisheries; MPT = Ministry of Posts and Telecommunications; TA = National Tax Administration Agency.

23. Okimoto (ibid., p. 320) includes the Ministry of Health and Welfare among ministries considered powerful by their amakudari placements in 1976. However, the year 1976 was an aberration in a much more modest pattern of placements for that ministry.
If we look more closely at these ministries we see the MoF outpacing all others in *amakudari* during the past three decades except for 1963 and 1964. The number of *amakudari* increased consistently, especially in the first two periods, 1963–75 and 1976–85 (see Figure 2), and almost doubled over the 30 years. This suggests that MoF has substantially increased its control over Japan’s financial sector. Although space limitations do not allow inclusion of figures for other ministries, MITI’s pattern reveals erratic shifts in the first period (1963–75), followed by a more consistent increase in the second (1976–85), and a decline in the third (1986–92). The overall trend is one of annual variation, mostly between 20 and 30 placements, with no substantial growth or decline, suggesting that MITI’s level of control over this 30-year period has been relatively stable.

The high quality of MoF and MITI officials and their networks of information make retiring bureaucrats from these two ministries attractive for private companies to hire. A comparison of MoF with MITI, in part, substantiates Johnson’s and Okimoto’s contention that the MoF superseded MITI to become the dominant ministry. In particular, Johnson suggests the continuous importance of *amakudari* in banking industries where connections with MoF remain invaluable, whereas the significance of *amakudari* in other ministries might decline over time.24 However, except for 1964 the number of *amakudari* placements for MoF were greater than that of MITI, suggesting that the timing of this power transition may be considerably earlier than generally recognized.

The pattern for the Ministry of Construction is similar to that of MITI, only it demonstrates even more stability. Placements range from a low of 10 in 1971 and 1976 to a high of 30 in 1981 and 1987. There was no significant increase or decrease during the observation period, and the government control perspective would suggest there is a stable control relationship between the government and construction industries. The Ministry of Transport, however, demonstrates wide variation, with a high of 44 in 1963 placements and a low of 11 in both 1967 and 1972. Disregarding 1963, the ministry placements were relatively stable through the 1960s and 1970s, then increased through the early 1980s and decreased after 1984. Transport appears to reflect the overall trend of *amakudari* patterns with a general decline after the mid-1980s.

The Ministry of Agriculture, Forestry and Fisheries shows a steady pattern of increase until recently. *Amakudari* placements started at a low of 2 in 1963 but increased to a high of 37 in 1987. The overall pattern indicates that this growth and the scope of the government’s jurisdiction and regulatory responsibilities have increased over time, at least until 1987. This pattern is

FIGURE 2
Ministry of Finance
Amakudari Placements (1963-1992)
interesting in light of the highly publicized U.S.-Japan trade frictions over agricultural products.

Posts and Telecommunications exhibits a pattern similar to Agriculture, Forestry and Fisheries, as in 1965 it had only 2 amakudari placements, but the number increased to 29 in 1985. Again, this pattern of steady increase suggests rising government control over the post and telecommunications industries. Some have attributed this to the 1985 privatization of telecommunications in Japan; the industry is now one of the nation's most vigorous technological and economic sectors. However, the number of amakudari has been dropping since the ministry reached its peak in 1985.

Discussion

Our examination of amakudari placements over a 30-year period makes several important points. First, a complex causal dynamic underlies the pattern of amakudari placements; second, there appears to be evidence for the institutionalization of MoF's penetration of the economy, and third, the MoF's dominated the other ministries in this respect for almost the entire period.

The first perspective—Japanese insulation and regulation—is partially supported in our analysis. It suggests that amakudari will decline due to outside pressures for open trade and deregulation. The data in Figure 1 show that the number of amakudari rose until the mid-1980s, indicating the increasing interpenetration of the government and corporate worlds. However, starting in 1985, the trend came to a halt and reversed its direction, suggesting that the political economy may have shifted in the mid-1980s as Japan initiated deregulation of some industries. However, scholars advocating this insulation and regulation perspective need to show more clearly the linkage between deregulation and amakudari decline.

The second outcome of our analysis lends support to the institutional imperative perspective, suggesting a strengthening of the institution of amakudari. An overall increase in amakudari placements from 1963 to 1992 suggests amakudari is an institutionalized form of government-business cooperation that will, in turn, contribute to increasing placements. More importantly, the analysis shows the steady institutionalization of the MoF. This evidence is consistent with the general impression that MoF recruits the best and most talented and that the financial sector is less pressured for deregulation. Further, a growing number of amakudari placements implies that finance is a strategic sector of the economy and a key link between ministry and central financial and industrial sectors. We might anticipate MoF's continued importance in controlling the damage of the bubble economy that burst in 1989. The government control perspective suggests that the shifts in amakudari indicate the changing influence of different government ministries over the economy. In particular, the relative change in amakudari place-
ments suggests the decline of MITI's influence and the rise by MoF. Our data indicate that MITI exceeded MoF amakudari placements only once—in the early 1960s. MoF has shown continuous rise in amakudari placements over the period. Thus, to the extent that amakudari placements are a measure of a ministry's power, this analysis raises doubts about MITI's celebrated ministry dominance.

We conceptualized ministry power as a relational concept measured by the actual number of bureaucrats placed in private corporations. This measure reflects the actual number of relationships between a particular ministry and the private sector. The more relationships a ministry actually operates, the more powerful that ministry. A ratio measure or measure controlling for other variables (e.g., the ratio of amakudari to the size of a ministry) reflects an attribute of a ministry, possibly reflecting efficient placement of bureaucrats. However, large ministries that are inefficient at placing their bureaucrats may still be more powerful in our sense because they operate a greater number of relationships with the private sector. The relative decline of MITI is supported by the data. MITI was no longer the top ministry in Amakudari placements by the mid-1960s, though it retained the second or the third position consistently, along with the Ministries of Construction and Transport. In contrast to MITI, MoF outpaced other ministries in the placement of retiring bureaucrats in the private industry. Since 1981, MoF had 50 or more amakudari per year, which is almost twice the number of the second-highest ministry, the Ministry of Construction.

Amakudari appears to be a historically sensitive process linked to complex causal operations. It does not appear necessarily to operate in the same manner across different ministries. This feature is demonstrated by the exceptional pattern of the MoF, noted earlier. In addition, the number of amakudari placements does not operate in a simple linear manner over time. The indication of three distinct periods suggests different, nontransitive features are in effect. Thus, the selection of any one segment of time or one ministry may distort the interpretation of the nature and future of amakudari—that it is one type of relationship in the multiplex network society of Japan that has important spatial and temporal distinctions that should be incorporated into future analyses. Our analysis suggests the diagnostics of the future role of amakudari in industrial organization and industrial policy lay in two directions. First, a separate analysis is needed to examine bureaucratic retirement to public corporations and nonprofit foundations (yokosuberi). Such a study will complement the current work on amakudari. Some authors suggest the direction of amakudari has shifted from private firms to public organizations and foundations, especially after 1986.25 Empirical studies on

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25. “Zaidan Shadan Hojin no Jittai.”
career movements of top civil servants to the public sector with a methodology similar to the one we employed in this paper will answer questions about the changing nature of amakudari more clearly. If alternative paths to bureaucratic retirement are found, do they fulfill roles similar to amakudari or reflect the changing nature of industrial organization and policy in Japan?

A second strategy of future analysis would take us in a different direction by looking more in depth at the amakudari process, as suggested by Calder.26 This would lead to mapping the relations between specific ministries of exit and specific industries and organizations of placement. This strategy would examine the supply and demand or push and pull sides of the process by identifying the relationships between each ministry and each private firm, for each amakudari placement. Such an analysis would require the collection of industry and firm level data for each amakudari case over time. This step would clarify the historic "phases" of amakudari placements and the relative dominance of sectors, industries and firms that receive amakudari from certain ministries over time.