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Amakudari (Descent from Heaven):
The Cement Between the Japanese
Polity and Economy

Chikako Usui and
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**Amakudari (Descent from Heaven): The Cement
between the Japanese Polity and Economy**

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Amakudari (Descent from Heaven):

The Cement between the Japanese Polity and Economy

Amakudari (descent from heaven) refers to the process where top ministry bureaucrats retire to senior management positions in private enterprises. It is pivotal to the overall strategic planning and coordination of the Japanese economy. A number of authors have speculated on the changing nature and future directions of this important institution. This paper explores these views based on the examination of data from 1963 to 1992.

Amakudari (Descent from Heaven):

The Cement between the Japanese Polity and Economy

One distinguishing characteristic of the Japanese political-economy is the close working relationship between the government and business. The ties that bind the government and the corporate sector are many, but one of the most important 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 (Johnson, 1982: 20-21).

A series of recent political scandals and US-Japan trade talks have heightened interest in the roles of bureaucrats, the mechanisms of *amakudari*, and its network relations between the government and corporate world. For some (Johnson, 1974; do Rosario, 1993), *amakudari* is a characteristic of the "developmental state" and will decrease, either because of gradual decline in "very real needs" of expertise of bureaucrats among corporations over time (Johnson, 1974), or continued foreign pressures for opening up of Japanese markets. Others (Aoki, 1988; Kerbo and McKinstry, 1995) suggest that *amakudari* is a fundamental institutional mechanism and should increase as the complexity and uncertainty of government decision making increases. Still some others (Johnson, 1982; Okimoto, 1988), emphasizing *amakudari* as a measure of control of the government over the economic sector, maintain that there is no particular reason to expect *amakudari* to become either more or less common.

These diverse interpretations may not be mutually exclusive, owing to changing features of the relationship between the government and the private sector over time. Nor are they falsifiable in any strict scientific sense. However, these generalizations are primarily based on

only one or a few years of data and often on the *amakudari* of a single ministry. This paper supplements the existing empirical findings by illustrating the more general patterns of *amakudari* based on the examination of data from all ministries and agencies over the past three decades. This broader spatial and temporal frame clarifies the implications of the different interpretations of *amakudari*.

We explore the patterns of change in *amakudari* from 1963 to 1992. This paper is organized as follows: First, we discuss the major institutional features of *amakudari*. Second, we present descriptive analysis of changes in the overall pattern of *amakudari* during the past thirty years. Finally, we discuss the relative pattern of *amakudari* placements among six key ministries over the last thirty years.

AMAKUDARI

There is increasing recognition that much of the governing of Japan is not done by politicians but by bureaucrats. The sources of bureaucratic power are the *raison d'être* of the *amakudari* process. The sources of bureaucratic power are their legislative and administrative roles, experience and mechanisms of "guidance" of the private sector. Johnson (1974; 1975), Kerbo and McKinstry (1995), and Okimoto (1989), to name a few, summarize them as follows:

First, bureaucrats write most bills and give them to the politicians to pass into legislation.¹ In Japan, politicians do not have their own policy making staffs (nor the Diet) and rely on the civil servants. The ministries that write the legislation are also the ministries that

¹ Eighty percent of bureaucratically sponsored bills pass the Diet, where only thirty percent of Diet sponsored bill pass (Kishimoto, 1988:66; Koh, 1989:206 cited by Kerbo and McKinstry, 1995).

enforce the legislation. Thus, these laws are often written vaguely giving them wide flexibility in interpreting and applying the law. In contrast, in the U.S., politicians (especially the President and members of Congress) draw from their large staff and groups of experts independent of the government bureaucrats. They pass legislation and give it to the bureaucrats to implement.

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

Third, "administrative guidance" of the private sector rests on Japanese law giving the ministries the authority to issue directives, requests, warnings, suggestions, and encouragements to private organizations. The government control over some markets has opened somewhat (e.g., citrus, supercomputers, beef), but there are indications that the number of regulations actually rose recently (Sterngold, 1994).

Fourth, "economic guidance" is the control ministries have over commercial loans. In contrast to the U.S., corporations in Japan are more likely to expand through bank loans, rather than new stock issues (Abegglen and Stark, 1985). Ministries target industries for development and carry out their plans by directly influencing which corporations and industries secure the capital for their 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 driven by the pressures arising out of the logic of seniority system within ministries. Johnson (1982) and Okimoto (1989), for example, discuss the process of *amakudari* within one of the most powerful ministries, the Ministry of International Trade and Industry (MITI). Horne (1988) and Kerbo and McKinstry (1995) describe *amakudari* based on the training and promotion processes of the Ministry of Finance (MoF). It works as follows: Entering bureaucrats, upon passing the civil servant exam (type 1) and being selected to the ministry, go through extensive training and advance together. By the time these bureaucrats reach their 40's, their career mobility options begin to narrow. There are a limited number of section chief positions, few bureau chief positions, and only one vice-ministership for each ministry. Those who are promoted to bureau chief are still in the running for vice-ministership. Those who are not promoted are compelled to resign into a lucrative job in a private industry or public corporation. Ultimately, everyone must "descend" because of the unrelenting pressure from new entering classes advancing from below. The usual retirement age for the vice-minister is slightly over 50.

Not everyone competes for the vice-ministership. 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, when one man from one class is chosen by the outgoing vice-minister as his own replacement and when all the new vice-minister's class mates must resign to insure that he has absolute seniority in the ministry. The new vice-minister and the chief of the Secretariat are responsible for finding the

retiring officials (and fellow classmates) good new positions in the private sector.

Retirement of bureaucrats may take one of several forms. According to Johnson, retiring government officials obtain new careers along one of three general paths:

1. Bureaucrats 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 Councilors. This post-retirement career is called "position exploitation" (*chii riyo*). This path is usually open only to bureaucrats who served in choice national or regional posts that are suitable for building general political support (1974: 953-954).

The literature on the political economy of Japan is vague on the exact definition of *amakudari*. In general, *amakudari* refers to a career movement of a bureaucrat from ministry or agency to private business (Johnson, 1974:953; Hollerman, 1988:175; Okimoto, 1989:319). However, some of these same authors broaden their definition of *amakudari* to include employment in both private and public organizations (Johnson, 1978:5; Okimoto 1989:161; Prestowitz, 1988:113). For example, Okimoto defines *amakudari* as:

. . . leaving the bureaucracy [and] 'descend from heaven' into high-level posts in public corporations, industrial associations, and private industry (Okimoto, 1989: 161).

Still others (Calder, 1989:382; Aoki, 1988:265) define *amakudari* as re-employment of bureaucrats in private and public organizations, as well as political positions. Aoki defines *amakudari* 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 (Aoki, 1988:265).

In this paper 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 separate, later studies.

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.

1. **Japanese Insulation and Regulation.** This perspective contends that *amakudari* developed out of Japan's need for insulation and regulation during its rapid industrialization. Although this perspective implies a strong element of free market, its argument takes several forms all suggesting *amakudari* is in decline. One variation contends that after the rapid industrialization of the 1950s and 1960s, strict insulation was no longer needed, and in turn, retired bureaucrats lost much of their usefulness to business (Johnson, 1974). A second variation contends that *amakudari* is a form of corruption that operates to enrich certain elite groups by excluding others from Japanese markets.² A final variation is that *amakudari*

² *Amakudari* has been implicated in the compromise of government oversight agencies (Administrative Management Agency) charged with regulation of private business and public enterprises because of the reliance on recommendations from influential ministries (Johnson, 1975: 7). Further, *amakudari* has been implicated in bid rigging in the construction industry (Arakawa, 1993).

operates between government and business as a hidden barrier to entry into lucrative Japanese markets. Critics (do Rosario, 1993: 55) charge that *amakudari* is "a hindrance to the opening up of Japan."

This perspective suggests that recent trade disputes and continuing foreign pressures to bring down trade barriers and de-regulate domestic markets will reduce the linkage between the government bureaucracy and the domestic markets.³ It predicts the decline of *amakudari* as Japan is increasingly pressured from international trade partners to reduce trade surplus, to ease inspection and certification rules for foreign goods, and to shift from the producer oriented to more consumer oriented society (Uekusa, 1987). One analysis (do Rosario, 1993) shows the decline in the number of *amakudari* positions since the mid-1980s as evidence for this perspective. However, this short time period does not represent the overall pattern, nor does the study by do Rosario offer a substantive interpretation of how "external pressures" should affect the number of *amakudari* after the mid-1980s and not other periods.

Proposition 1: *Amakudari* is in a decline since the mid-1980s due to outside pressure for open markets and de-regulation.

2. **Institutional Imperative.** This perspective contends that as ministries achieved success over time, *amakudari* became institutionalized as a mechanism to assure their future success. The institution of *amakudari* became an integral mechanism for maintaining

³ A current list of U.S. demands includes: increased sales of American auto parts to Japanese companies; opening of the Japanese distribution system to American cars; measurable increases in Japanese government purchases of American medical equipment and telecommunications equipment; and an increased market share of American life insurance in Japan, a level comparable to foreign insurers' market shares in other major economies (Sterngold, 1994).

"ministerial fortress" and replenishing the bureaucratic ranks with talent. The assurance of post-retirement 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 (Johnson, 1974; Kerbo and McKinstry, 1995; Okimoto, 1988).

In Japan, civil servants are powerful and accorded high respect, but they receive a very modest income.⁴ They are respected because they come from the best universities and are "bred" through demanding training and testing for their jobs. They are career bureaucrats. The assurance of attractive post-retirement jobs makes civil service all the more attractive. In short, the institutional perspective suggests that the assurance of *amakudari* to high-profile positions in private industry becomes increasingly necessary to attract the requisite talent.

This perspective implies that political uncertainty is positively related to dynamics facilitating *amakudari* placements. In view of political scandals that led to the fall of the Liberal Democratic Party in 1992 and the fragile state of the present political situation, one would argue the bureaucratic elite will become more important, and the talent requirements 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 ministries attempt to maintain their continued success by attracting the brightest and talented.

3. Government Control. To many authors (Johnson, 1974; 1978; 1982; Okimoto, 1988), *amakudari* is an important mechanism of government control over private industry.

⁴ As Kerbo and McKinstry (1995) illustrate, it is not high income that attract the brightest and most talented young college graduates to pursue civil service careers. In 1984, majority of 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.

Amakudari is a key link between ministry and central financial and industrial sectors of the economy. The private sector participates in *amakudari* because of the extensive licensing and approval authority (*kyoninkaken*) of the ministries, though some firms and industries are more receptive of *amakudari* placements than others. According to the government control perspective, there is a greater receptivity of *amakudari* placements in industries and firms subject to "administrative guidance" by government (Johnson: 1974: 963). The ministries do not give direct orders to businesses, but those businesses that listen to the signals coming from the ministry and then respond are favored with easy access to capital, tax breaks, and approval of their plans to import foreign technology or establish joint ventures. Thus, the government-control perspective suggests that *amakudari* is a measure of the extent of government control, more precisely, a measure of the relative importance of ministerial control over the economy.

The "government control" perspective is rooted in a recognition of the unique political economy of Japan. That is, the institutional configuration of Japan represents a state directed economy that is non-socialist. A measure of the degree of that 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. However, basically this perspective simply identifies aggregate 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.

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 the other ministries (Johnson, 1982; Okimoto, 1988; 1989). Okimoto contends that:

The re-employment of higher civil servants in high level posts within the private sector (*amakudari*) is perhaps the best unobtrusive indicator of relative bureaucratic power . . . (1988:319).

Johnson (1982) points to a change in the distribution of *amakudari* positions among different ministries since the mid-1970s, indicating the changing influence of different ministries. Johnson's (1974; 1982) and Okimoto's (1988) examinations of data on *amakudari* for 1963-1973 and the year 1976, respectively, suggest power has shifted among ministries, in particular, the relative decline of MITI, along with the rise of Ministry of Finance (MoF). 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 (Okimoto, 1989: 113-114). The other ministries and agencies have narrower, industry specific, responsibilities and therefore, a narrower group of clients (Nester, 1993: 107). Okimoto (1988: 320) points out that ministries in charge of functionally specific sectors like the Ministries of Agriculture, Forestry, and Marine Products (MAFM), Construction (MoC), Transportation (MoT), Health and Welfare (MHW), and Posts and Telecommunications (MPT) are powerful vis-à-vis the other ministries and agencies.⁵ Their regulatory responsibilities are high and the adherence to directives and mutual interdependence of government and business is high resulting in incentives to develop and maintain extensive relational networks through *amakudari* placements.

Proposition 3.1: *Amakudari* placements of each ministry are a measure of the degree of that ministry's control of the private sector.

⁵ Okimoto (1988: 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.

DATA

The data derive from the annual reports of *amakudari* published by the Agency of Personnel Authority for the period, 1963 to 1992 for all ministries and agencies. Nineteen sixty-three was the initial publication of *amakudari* on a systematic basis after the Diet amended the Government Employee Act, Article 103 (*Kokka Komuin Ho* 103) mandated the public disclosure of *amakudari* reports in 1962. Each annual publication contains information on ministry positions of each bureaucrat in the last five years of service and the description of new positions in the private sector for all the ministries and agencies that had *amakudari*. There are some forty ministries and agencies (Appendix A). Japanese law prohibits bureaucrats from accepting positions in private enterprises regulated by their ministry for two years after leaving the civil service. The Agency of Personnel Authority has the power to approve or disapprove *amakudari* of retiring bureaucrats at the level of section chief and above. Johnson (1974) and Okimoto (1988) used this same data source for particular periods or ministries. Thus, our results are comparable and extend their analyses.

RESULTS

Overall Trend

Appendix B indicates the total number of *amakudari* among all the ministries and agencies that took place each year over the thirty year period, 1963-1992. The total number ranged from the low of 123 in 1967 to the high of 320 in 1985 with a mean average of 205. Figure 1 graphically displays the annual *amakudari* placements between 1963 and 1992.

The examination of data in Figure 1 yields several observations. The data reveal the presence of three minor periods: 1963-1976, 1976-1985, and 1985-present. The number of

amakudari was most stable in the first period, 1963-1976, with the average number of 161 *amakudari*. In sharp contrast to the stable pattern in the first period, the second period 1976-1985 involved an explosive rise in the number of *amakudari*. It rose from 159 in 1976 to 320 in 1985, with the average number of 241 *amakudari* during this ten year period. The magnitude of this increase is over 100 percent. In the third period, 1985-1992, the number of *amakudari* declined, from 320 in 1985 to 209 in 1992, or 35 percent fall. During this eight year period, the average number of *amakudari* was 247.

The question of whether *amakudari* is on the rise or decline depends on which period is selected for examination. Period two, 1976-1985, shows a sharp increase in the number of *amakudari*, suggesting support for the "institutional" perspective. Period three, 1985-1992, shows a precipitous decline, lending support for the "Japanese insulation and regulation" perspective. Period one, 1963-1976, and the overall 1963-1992 period with the average of 205 *amakudari*, suggest that *amakudari* 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 past 30 years.

The interpretation of fluctuations in *amakudari* over time is problematic, because logically one would expect that what causes increases in the second period, was inverted in the third period. 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 opening up its markets.⁶ However, this perspective offers only a partial explanation

⁶ Some contend that since the mid-1980s US-Japan trade negotiation 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 percent market share for semiconductors and threatened sanctions if it 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

for the overall trend of *amakudari* in the past 30 years. It fits nicely for the continuing decline in *amakudari* for period three in Figure 1, but the argument contradicts with the modest but overall increase in *amakudari* for the entire period, 1963-1992. It certainly cannot explain the sharp rise in the 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 being "de-institutionalized" during the third period? The distribution of *amakudari* over the past three decades suggests that the underlying causes of change in *amakudari* may not be uniform across the three periods, reflecting different causal dynamics during the different periods.

Trends within Ministries

There are 12 main ministries and some 30 agencies in the Japanese government (Appendix A). Not all the ministries and agencies are equal in "importance and power."⁷ In fact, the most notable observation is that the distribution of *amakudari* vary considerably across

more expensive to American consumers. In February 1985, the exchange rate stood at 263 yen to one dollar. The current exchange rate dropped to 100 yen to the dollar, diminishing the abilities of Japanese corporations to compete in the international economy.

⁷ Subjective interpretations vary on which ministries are the most important and powerful. Kerbo and McKinstry (1995) suggest that the most important and powerful are the Ministries of Justice, Finance, Foreign Affairs, and MITI. Okimoto's (1988) 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*). Given the nature of expertise, however, it is not surprising to find weak linkages between these ministries and private industry. One would expect bureaucrats from ministries of Justice and Foreign Affairs to take post-retirement careers in the public and academic spheres or to pursue business that is not arranged through *amakudari* (e.g., consulting).

ministries and agencies. The data reveal that the following six ministries had significant numbers of *amakudari* over time: the Ministry of Finance (MoF), Ministry of International Trade and Industry (MITI), the Ministry of Construction (MoC), the Ministry of Posts and Telecommunications (MPT), the Ministry of Agriculture, Forestry, and Marine Products (MAFM), and the Ministry of Transportation (MoT) (Table 1).

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 retained the top rank since 1965, by placing the largest number of retiring bureaucrats in the corporations. MITI is much less stable than MoF, but it is the next most powerful throughout the observation period. MITI ranked either second or third, except in 1975 and 1992. Next to MITI is the Ministry of Construction, fluctuating between the second, third, and fourth places. The Ministry of Transportation ranked consistently behind MoF and MITI, but after the mid-1980s its ranking was in clear decline. The Ministry of Agriculture, Forestry, and Marine Products moved up the ranking over time. In 1965, it ranked fifth, but fourth in 1970 and 1975, third in 1985, fourth in 1990, and third in 1992. The Ministry of Posts and Telecommunications entered the top five rankings from time to time during the past 30 year period. MoF outpaced 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, 1963-1976 and 1976-1985 (Figure 2.1). It almost doubled its *amakudari* placements during the last 30 years. According to the control perspective, this suggests that MoF has substantially increased its control over the financial sector of Japanese society. It also suggests that financial control may be a key mechanism of state coordination of the Japanese economy.

MITI's pattern, shown in Figure 2.2, involves erratic shifts in the first period (1963-1976), followed by a more consistent increase in the second period (1976-1985) and a decline in the third (1985-1992). The overall trend is one of annual variation, mostly between 20 and 30 placements, but with no substantial growth or decline over the thirty year time period. The control perspective would suggest that MITI's control over the past 30 years has relatively been stable.

The high quality of MoF and MITI officials and their networks of information make bureaucrats from these two ministries attractive for private companies to hire upon their retirement. A comparison of MoF with MITI substantiates Johnson's (1982) and Okimoto's (1988) contention that the MoF superseded MITI to become the dominant ministry. In particular, Johnson (1974: 963) suggests 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.

The pattern of *amakudari* placements for the Ministry of Construction (MoC) is similar to that of MITI, only it demonstrates even more stability (Figure 2.3). Placements range from a low of 10 in 1971 and 1976 to a high of 30 in 1981 and 1987. The overall pattern is relatively stable with no significant increase or decrease during the 30 year period. The control perspective would suggest there is a stable control relationship between the government and construction industries.

The Ministry of Transportation (MoT) demonstrates wide variation, with a high in 1963 of 44 and a low of 11 placements in both 1967 and 1972 (Figure 2.4). Disregarding 1963, the ministry placements were relatively stable through the 1960s and 1970s, then increased through

the early 1980s and decreased after 1984. MoT appears to reflect the overall trend of *amakudari* patterns.

The Ministry of Agriculture, Forestry and Marine Products (MAFM) demonstrates a pattern of relative steady increase until recently (Figure 2.5). *Amakudari* placements started at a low of 2 in 1963 but increased to a high of 37 in 1987. The overall pattern is marked by its steady increase, suggesting that the scope of the government's jurisdiction and regulatory responsibilities have increased over time, at least until 1987.

The Ministry of Posts and Telecommunications (MPT) demonstrates a pattern similar to the MAFM (Figure 2.6). In 1965 the MPT had only 2 *amakudari* placement, but the number increased to 29 in 1985. Again, this pattern of steady increase suggests a rising control of the government over the postal and telecommunications industries. This is one of the most vigorous and growing sectors of the economy, creating new demands for retiring bureaucrats.

DISCUSSION

The evidence presented in Figure 1 suggests that the number of *amakudari* rose until the mid-1980s, indicating the increased interpenetration of the government and corporate world. However, starting in 1985, the trend came to a halt and reversed its direction. Examination of the 30 year trend suggests that a complex causal dynamic underlies the pattern of *amakudari* placements.

The first perspective is partially supported in our analysis. The "Japanese Insulation and Regulation" perspective suggests that *amakudari* will decline due to outside pressures for open trade and deregulation. The data on overall placements (Figure 1) supports the notion with the

decline of *amakudari* taking place since 1986. However, scholars advocating this perspective need to show how and why pressures increased in the mid-1980s, but not in other periods. Further, the concept of decline or increase raises the question of the relative standard. If the comparison is made to the entire period from 1963 to 1992, there is no significant decline in *amakudari*. In fact, *amakudari* placements show a modest increase.

The "Institutional Imperative" perspective, suggesting an increase in the institution of *amakudari*, receives only a partial support. An overall increase in *amakudari* placements from 1963 to 1992 suggests *amakudari* is an institutionalized form of government-business cooperation, which will, in turn, contribute to increasing *amakudari* placements. Again, the concept of increase raises questions. The pattern of increase and decrease varies considerably among ministries. Although some decline of *amakudari* occurs after 1985 overall and in specific ministries, the 30 year trend does not indicate a pattern of decrease.

The "government-control" perspective suggests that the shifts in *amakudari* indicate the changing influence of government ministries over the economy. In particular, the relative change in *amakudari* placements suggest the decline of MITI's influence and the rise by MoF. The relative decline of MITI is supported by the data. MITI was no longer the top ministry by the mid-1960s, though it retained the second or the third position consistently, along with the Ministries of Construction and Transportation.

In contrast to MITI, MoF outpaced other ministries in the placement of retiring bureaucrats in private industry. Since 1981 to the present, MoF had 50 or more *amakudari* per year, which is almost twice the number as that of the number two ministry, MoC, during the same period.

Other ministries, such as the Ministries of Agriculture, Forestry, and Marine Products and Posts and Telecommunications, and Tax Agency competed with MITI and MoT and MoC from time to time. In general, *amakudari* increased in the second half of 1970s and first half of 1980s, with a steady decline in the late 1980s and early 1990s. In other words, all the ministries, except MoF, moved in a similar manner, rising or falling, over the three decades. This suggests the strong need to distinguish MoF from other ministries.

CONCLUSION

Amakudari appears to be an historically sensitive process linked to a complex causal process. Our characterization of three perspectives on *amakudari* was not meant to create some fixed boxes into which we force different authors into different perspectives. The work of Johnson (1974; 1975; 1982) illustrates how one author, appreciative of the complexity of the process, may be placed into all three perspectives. Rather, our concern was to use the three perspectives to draw out the implications of some simple but prevalent points of view.

Our analysis suggests that *amakudari* 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. The *amakudari* process is one of the key ties binding together the government and business sectors. The *amakudari* process does not appear to operate in the same manner across the different ministries. This feature is dramatically demonstrated by the exceptional pattern of the Ministry of Finance, noted earlier. In addition, the number of *amakudari* placements do not operate in a simple linear manner over time. The different periods discussed in the paper suggest different, non-transitive features operating. Thus, the selection

of any one segment of time may distort the interpretation of the nature and future of *amakudari*.

In addition, our analysis suggests two general directions for future research on *amakudari*. First, separate analysis is needed to examine bureaucratic retirement to public corporations. Such a study will complement the work on *amakudari*. Some authors suggest the direction of *amakudari* has shifted from private firms to public organizations. Empirical studies on career movement of civil servants to public corporations with a methodology similar to the one we employed in this paper will answer questions about the changing nature of *amakudari* more clearly.

A second strategy of analysis is to map the overall structure of the "network" of *amakudari* placements. This would involve the identification of the overall pattern of *amakudari* placements and the relations of each ministry to each other and the private sector firms and even specific positions. Next, important specification would be gained from the examination of causes and consequences of variation in *amakudari* placements (e.g., Calder, 1989). This step should include the identification of historical "phases" of *amakudari* placements (e.g., changes in the sectors, industries and firms that receive *amakudari* from certain ministries over time).

Appendix A

List of Ministries and Agencies (in English)

The Cabinet
National Personnel Agency
Prime Minister's Office
 National Police Agency
 Imperial Household Agency
 Management and Coordination Agency
 Hokkaido Development Agency
 Defense Agency
 Defense Facilities Administration Agency
 Economic Planning Agency
 Science and Technology Agency
 Environmental Agency
 Okinawa Development Agency
 National Land Agency
Ministry of Justice
 Public Security Investigation Agency
 Supreme Public Prosecutor's Office
Ministry of Foreign Affairs
Ministry of Finance
 National Tax Administration Agency
Ministry of Education, Culture and Science
 Agency for Cultural Affairs
Ministry of Health and Welfare
 Social Insurance Agency
Ministry of Agriculture, Forestry, and Fisheries
 Food Agency
 Forestry Agency
 Fisheries Agency
Ministry of International Trade and Industry (MITI)
 Agency of Industrial Science and Technology
 Agency of National Resources and Energy
 Patent Office
 Small and Medium Enterprises Agency
Ministry of Transport
 Maritime Safety Agency
 High Marine Accidents Inquiry Agency
 Meteorological Agency
Ministry of Posts and Telecommunications
Ministry of Labor
Ministry of Construction
Ministry of Home Affairs
 Fire-Defense Agency
Board of Audit
Supreme Court of Justice

Source: Who's Who in Japanese Government. (Tokyo: International Cultural Association, 1988: 287-288).

Appendix B

Total *Amakudari* Placements by Year

Year	Number of Placements
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1963	165
1964	133
1965	128
1966	147
1967	123
1968	137
1969	177
1970	193
1971	167
1972	177
1973	181
1974	189
1975	176
1976	159
1977	198
1978	197
1979	233
1980	228
1981	249
1982	268
1983	267
1984	295
1985	320
1986	252
1987	262
1988	233
1989	248
1990	232
1991	218
1992	209

mean	205
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Table 1.

Ranking Order of Ministries by Number of Amakudari, 1963-1992

Rank	1963	1965	1970	1975	1980	1985	1990	1992
1	MoT	MoF	MoF.	MoF	MoF	MoF	MoF	MoF
2	MoF	MITI	MITI	MoC	MoC	MITI	MITI	MoC
3	MITI	MoT	MoT	MoT	MITI	MAFM	MoC	MAFM
4	MoC	MoC	MAFM	MAFM	MoT	MoT	MAFM	MITI
5	TA	MAFM	MPT	MITI TA	TA	MPT	MPT	MoT

Note: MoT = Ministry of Transportation; MoF = Ministry of Finance; MITI = Ministry of International Trade and Industry; MoC = Ministry of Construction; MAFM = Ministry of Agriculture, Forestry, and Marine Products; MPT = Ministry of Posts and Telecommunication Services; TA = Tax Agency.

FIGURE 1

Overall Amakudari Placements (1963-1992)

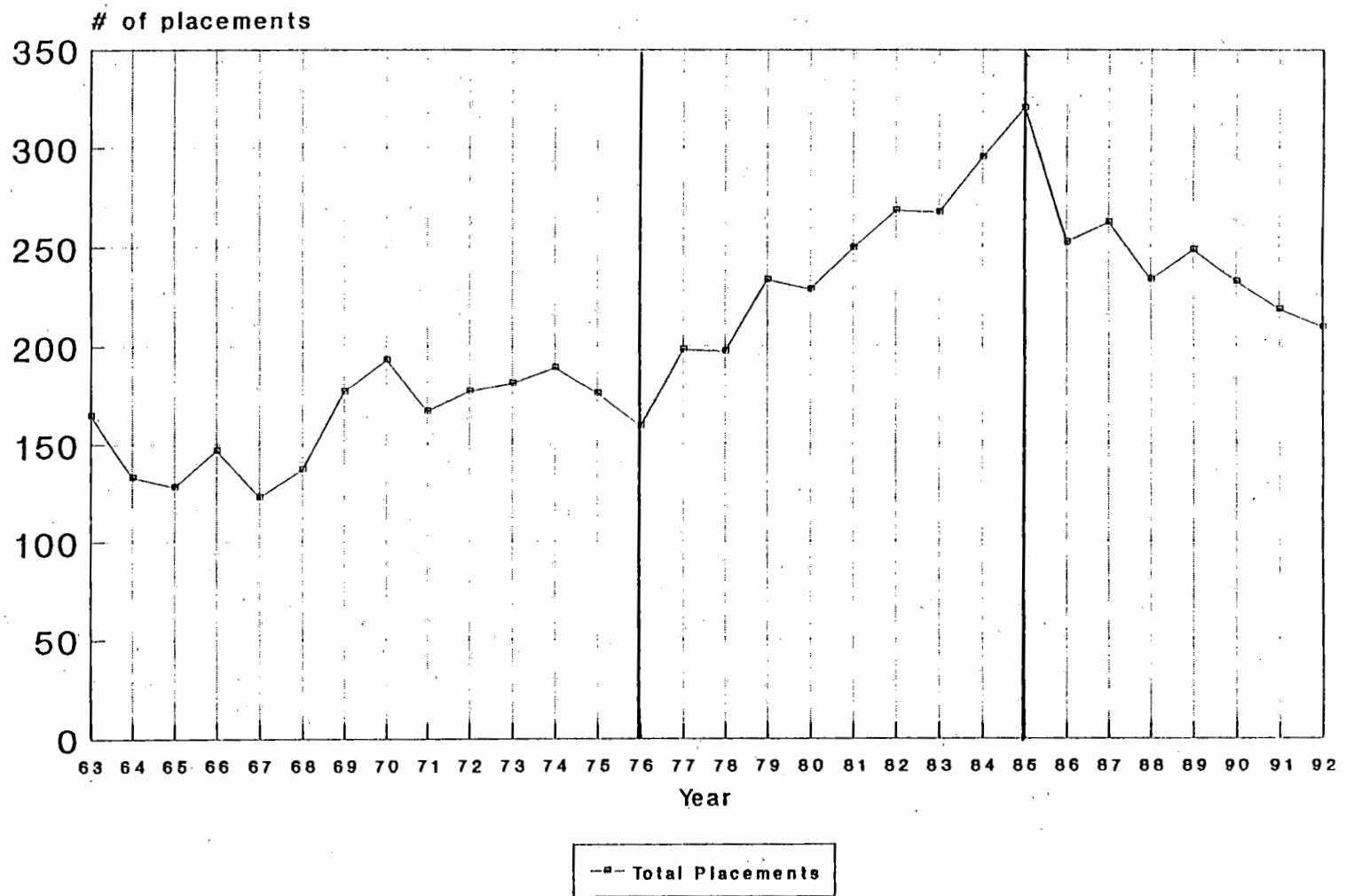


FIGURE 2.1
Ministry of Finance
Amakudari Placements (1963-1992)

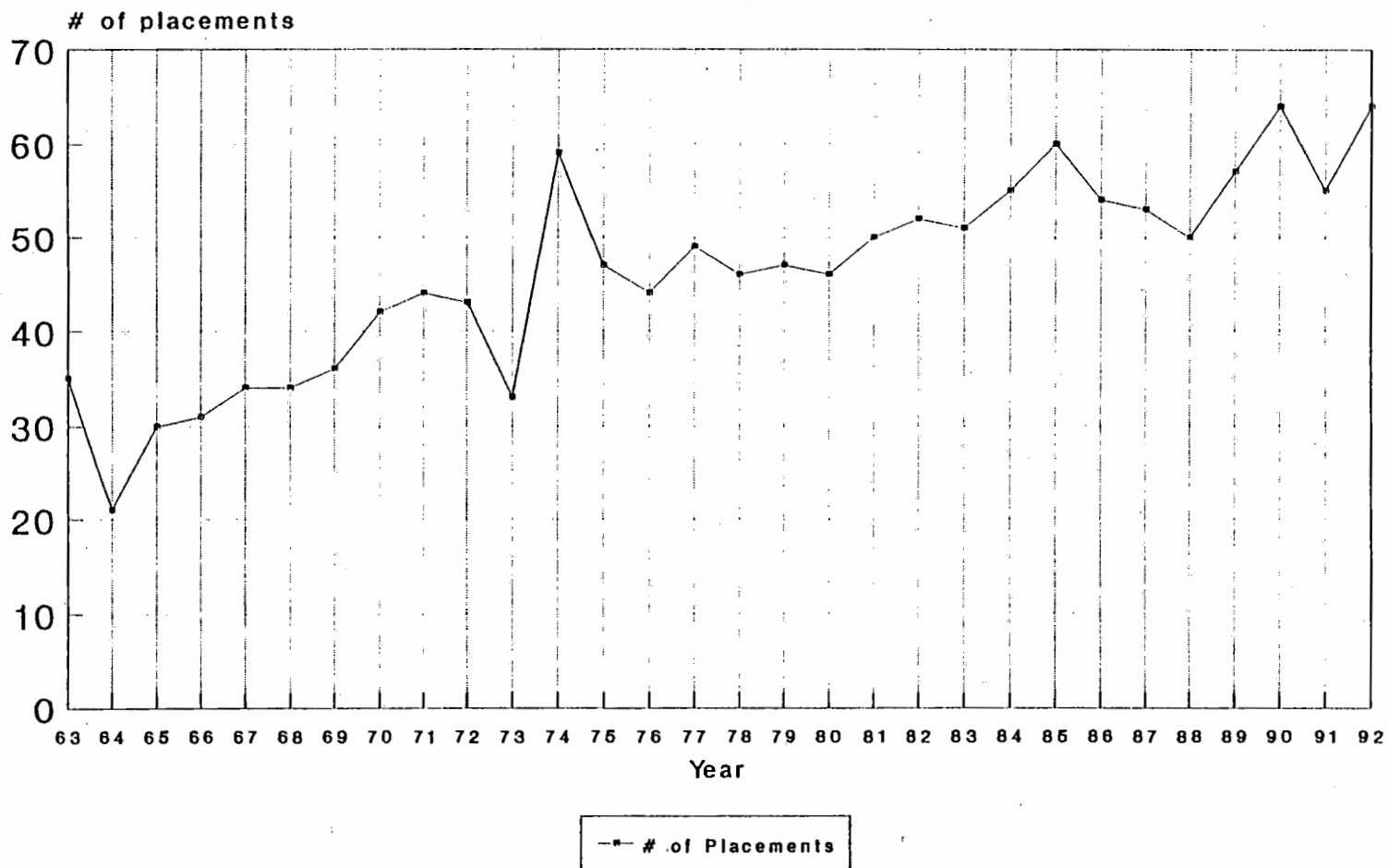


FIGURE 2.2
MITI
Amakudari Placements (1963-1992)

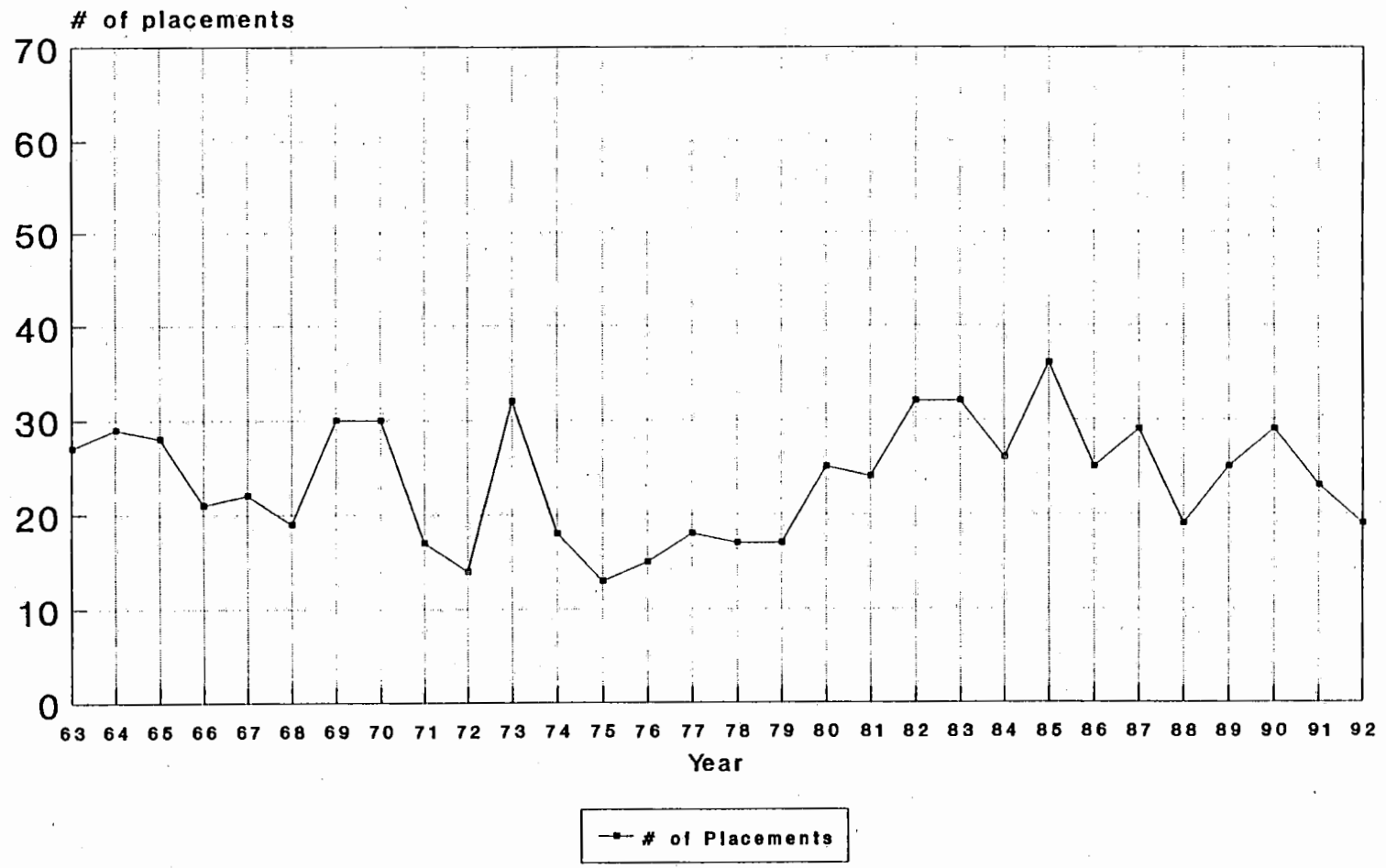


FIGURE 2.3
Ministry of Construction
Amakudari Placements (1963-1992)

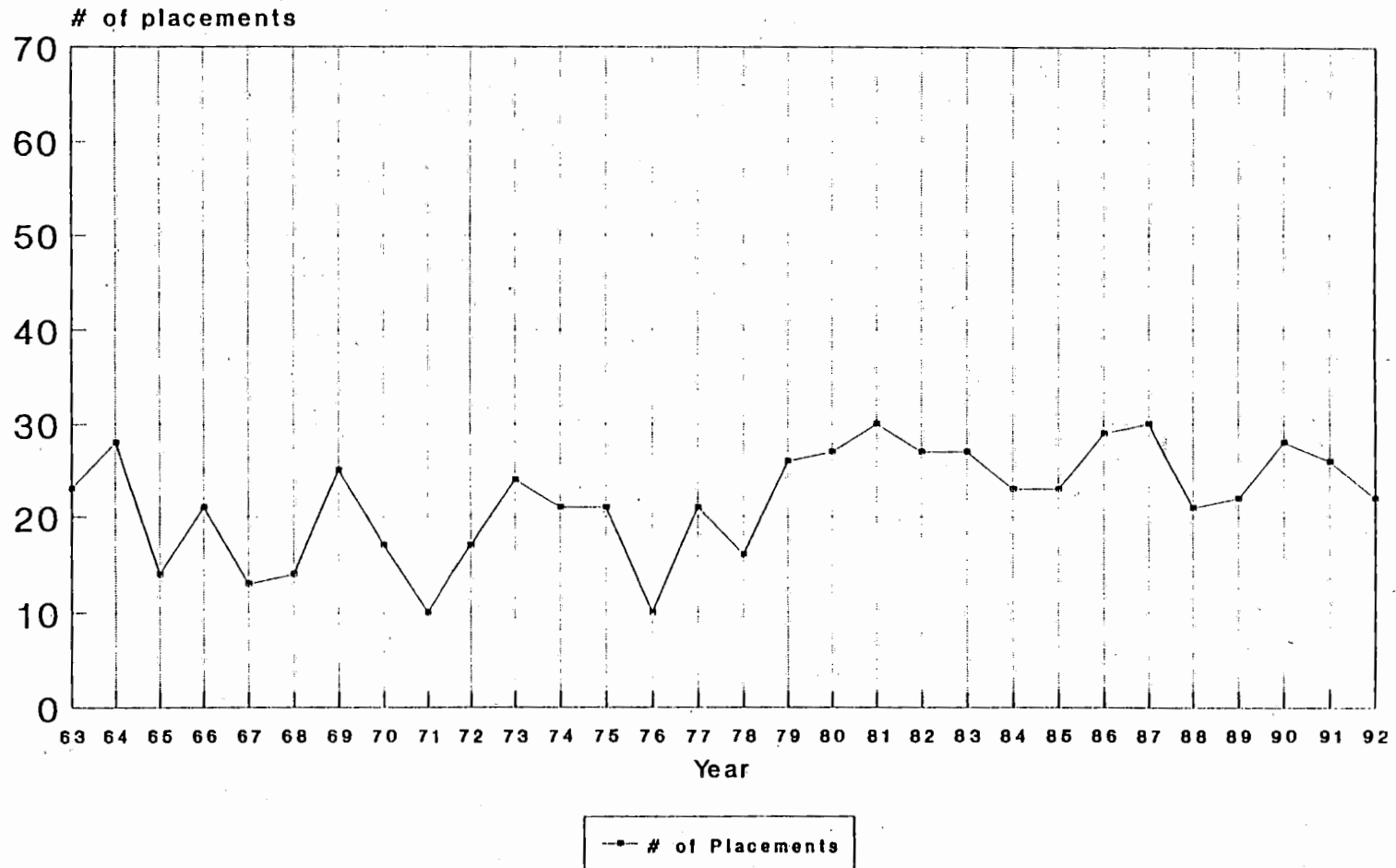


FIGURE 2.4
Ministry of Transportation
Amakudari Placements (1963-1992)

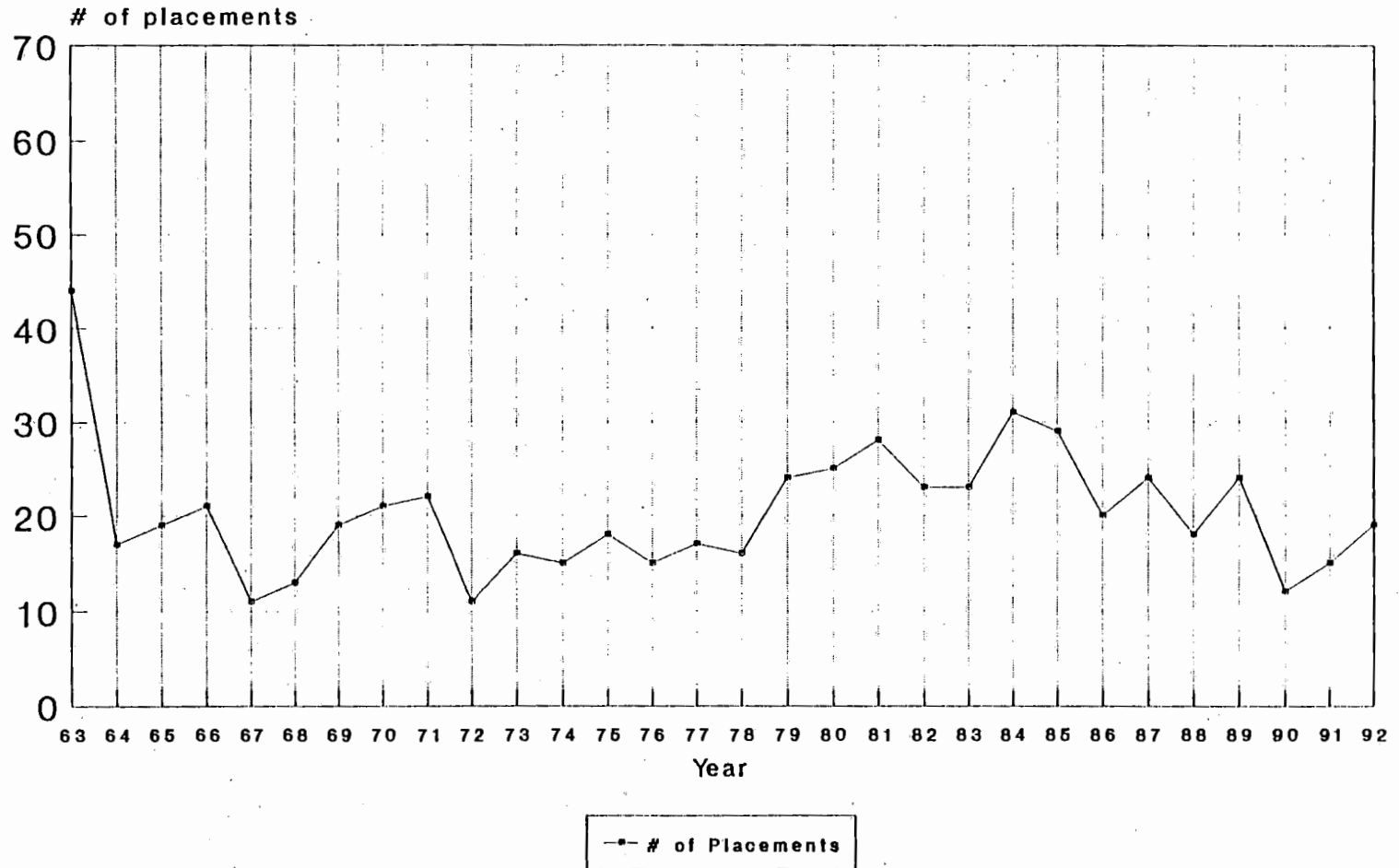


FIGURE 2.5
Min. Agri., Forestry & Marine Products
Amakudari Placements (1963-1992)

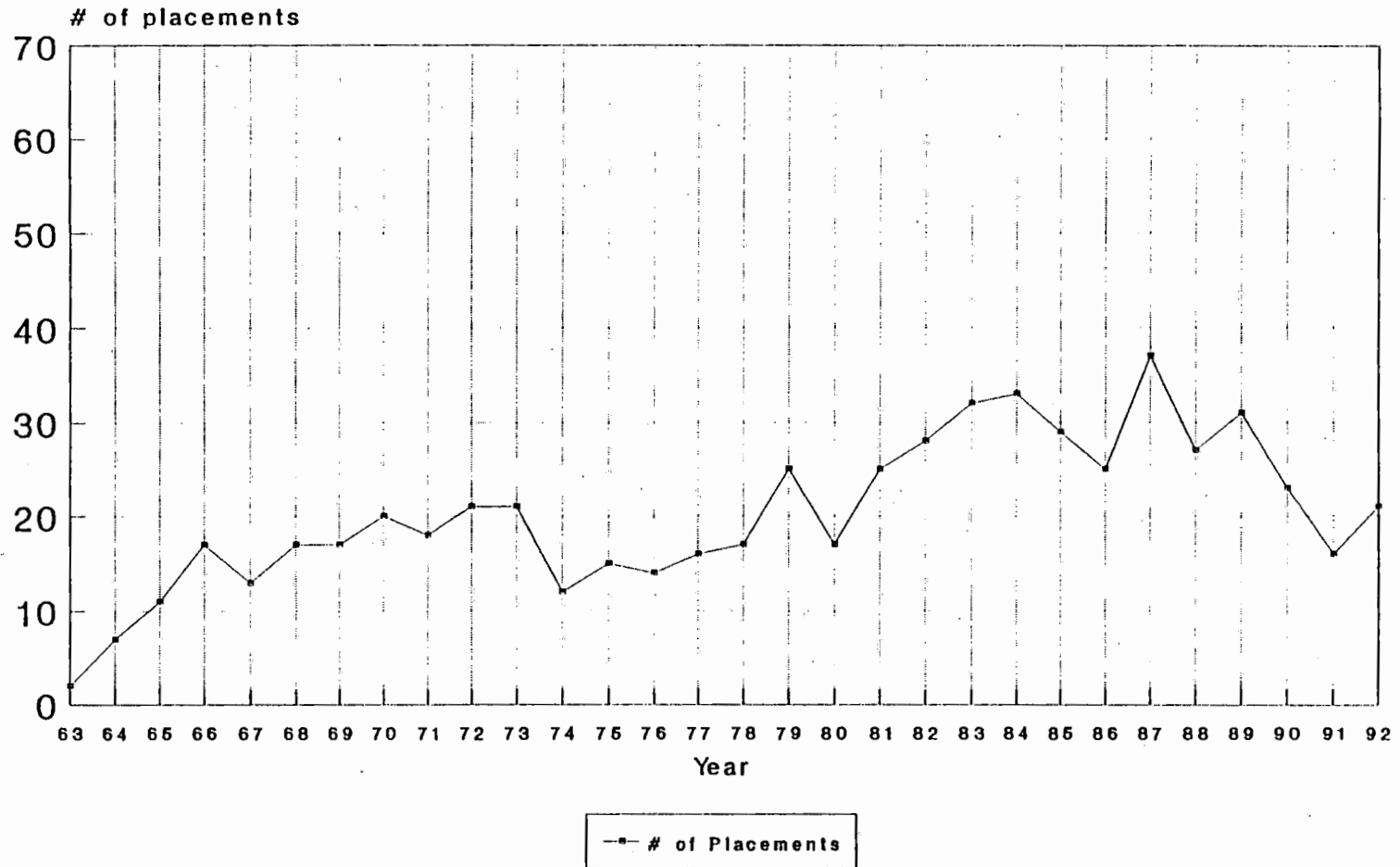
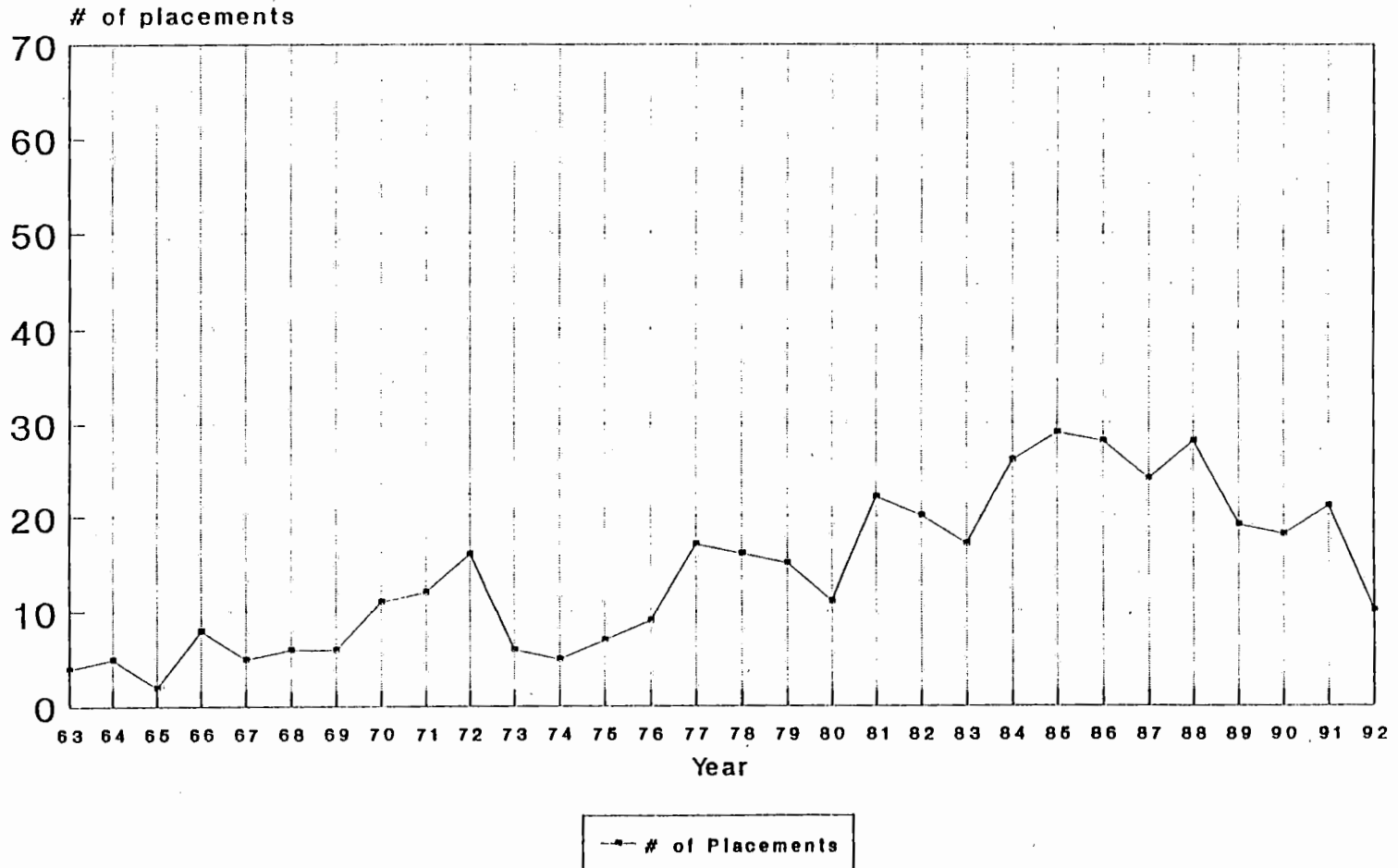


FIGURE 2.6
Min. of Postal Services
Amakudari Placements (1963-1992)



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