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# THE RESILIENCE OF JAPAN'S IRON TRIANGLE

*Amakudari*

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Richard Colignon and Chikako Usui

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A central issue in the examination of any political economy is the extent to which institutional arrangements either separate the political, economic, and bureaucratic spheres of activities or “fuse” them together in cohesion and cooperation.<sup>1</sup> For example, the U.S. is seen as separating the executive bureaucracy from the economic market and legislative political processes with the conviction that separate spheres produce the best outcomes for everyone. This separation is celebrated in the principles of checks and balances, the *laissez faire* tradition, an open market economy, and a weak state bureaucracy with strict limits on government regulation. Japan, in contrast, is seen as fusing linkages among the bureaucracy, politics, and the private sector with a myriad of formal and informal relationships in the apparent belief that interinstitutional cooperation produces the best outcome for all.

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1. Fukui Haruhito, ed., *Gyosei no shikumi* [The structure of administration] (Tokyo: Kanki shuppan, 1997); Muramatsu Michio, *Nihon no gyosei* [Japanese administration] (Tokyo: Chuo koronsha, 1994); Richard Samuels, *The Business of the Japanese State: Energy Markets in Comparative and Historical Perspective* (Ithaca, N.Y.: Cornell University Press, 1987); and T. J. Pempel, *Regime Shifts: Comparative Dynamics of the Japanese Economy* (Ithaca, N.Y.: Cornell University Press, 1998).

What has been difficult in discussions of Japan's political economy is a precise accounting of the major mechanisms linking its different formal institutions and institutionalized beliefs and practices.

In this article, we contend that *amakudari* (most often translated as descent from heaven) provides important interinstitutional networks of cooperation and a basic mechanism for Japan's iron triangle. The term implies a distinction between the life of the sacred and profane. Before World War II, civil servants worked directly for the emperor, who was considered a god and the embodiment of the Japanese nation. Bureaucrats were seen as in heaven by their noble and sacred work for the god and the nation. Upon retirement, bureaucrats were viewed as descending in status by their reemployment in the profane world of material self-interest. As used today, *amakudari* may be described as the career movement of ex-bureaucrats to high positions in various sectors of society upon retirement from the central bureaucracy.

Early academic literature on the Japanese political economy recognized the importance of networks in producing a homogeneity of outlook and common orientation of institutional elites.<sup>2</sup> Informal networks and interinstitutional cooperation have recently become even more central features of the recent Japanese political economy literature.<sup>3</sup> Informal networks are viewed as conduits of information and negotiation among politicians, bureaucrats, and businesspersons. At its broadest conception, these networks provide the structural substance of a power structure based on an association of bureaucratic, political, and business elites, or an "iron triangle."<sup>4</sup> In network studies, *amakudari* emerged as a fundamental interinstitutional pattern providing a basis for understanding a network of cooperation. *Amakudari* has been

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2. William Lockwood, "Japan's New Capitalism," in *The State and Economic Enterprise in Japan*, ed. William Lockwood (Princeton: Princeton University Press, 1965), pp. 447–522; and James Abegglen, "Economic Growth of Japan," *Scientific American*, March 1970, pp. 31–37.

3. In addition to the already cited works by Samuels and Pempel, see also Daniel Okimoto, *Between MITI and the Market: Japanese Industrial Policy for High Technology* (Stanford, Calif.: Stanford University Press, 1989); Michael Gerlach, *Alliance Capitalism: The Social Organization of Japanese Business* (Berkeley: University of California Press, 1992); and Kyu Chul Cho, "Nihon no seifu-kigyo kankei to seifu shigen douin no 'osmotic' networker to shiteno amakudari" [The relationship between the Japanese bureaucracy and business enterprises: *Amakudari* as "osmotic" networkers in resource mobilization], Ph.D. diss., Tsukuba University, 1995).

4. Karel van Wolferen, *The Enigma of Japanese Power* (New York: Alfred Knopf, 1989); Clyde V. Prestowitz, Jr., *Trading Places: How We Allowed Japan to Take the Lead* (New York: Basic Books, 1988); Barbara Wanner, "Economic Problems, Political Changes Challenge Japan's Cozy Business-Government Ties," *Japan Economic Institute*, no. 22A, June 9, 2000; and Aurelia G. Mulgen, "The Politics of Deregulation and Japanese Agriculture" in *The Politics of Economic Reform in Japan: Collected Papers*, eds. T. J. Pempel et al., Pacific Economic Papers, no. 270 (Canberra: Australian National University, Asia Pacific School of Economics and Management, Australian-Japan Research Centre, 2000), p. 3.

referred to as the glue in the networks representing policy commitments among elites and as fusing relations among the bureaucracy, Diet, and business. For example, Pempel pointed to *amakudari* as the “blurring of the line between elected officials and career civil servants” as demonstrated by the high percentage of former bureaucrats who were prime ministers, cabinet members, and powerful members of the Liberal Democratic Party (LDP).<sup>5</sup>

*Amakudari* has been identified as fundamental to interinstitutional cooperation and a number of empirical studies have uncovered the extent and changes in different types of *amakudari* movements. However, there is a need for mapping different *amakudari* paths and specifying the nature and structure of these networks. Without such a thorough examination, it is difficult to fully comprehend the degree of overall integration between government and business and their changes over time. In this article, we treat several features of *amakudari* networks and suggest a more structural and resilient character to Japan's political economy. First, we identify and measure the main paths of the *amakudari* networks. Second, we specify the nature and extent of homogeneity of these networks and the extent of ministries' participation in the different paths of the *amakudari* network. Third, we discuss how these networks have changed over the past several decades. However, before we present these analyses we will briefly discuss the development of the literature on *amakudari*.

## Japanese Political Economy and *Amakudari*

In 1965 Lockwood emphasized the importance of a “web” of formal and informal ties weaving through the state and economy. Abegglen went further in specifying the nature of a “complex apparatus” of formal and informal ties that united government elites and business leaders in what he called “Japan, Inc.”<sup>6</sup> However, it was Johnson who explicitly identified *amakudari* as one of the key relations that foster the policy making of a rational bureaucracy and in what he later called the “developmental state.”<sup>7</sup> Johnson described *amakudari* as

maintaining coordination and cooperative interactions among the state and the public and private sectors—an aspect of what the Japanese call *nemawashi* (informal

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5. Pempel, *Regime Shift*, p. 74.

6. Abegglen, “Economic Growth of Japan,” p. 35.

7. Chalmers Johnson, “The Reemployment of Retired Government Bureaucrats in Japanese Big Business,” *Asian Survey* 14:11 (November 1974), pp. 953–65; idem., *Japan's Public Policy Companies* (Washington, D.C.: American Enterprise Institute, 1978); and idem., *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–1975* (Stanford, Calif.: Stanford University Press, 1982; reprint, Tokyo: Charles Tuttle Co., 1982).

negotiation processes, literally translated as “preparing the groundwork”) and what others describe variously as consensual decision making or the interlocking directorate among the bureaucracy, the conservative party, and the business community.<sup>8</sup>

Also describing *amakudari* as “one of the best indicators of elite homogeneity,” Johnson later singled out *amakudari* as “contributing to a common orientation, one more channel of communication for government, business community, and the political world.”<sup>9</sup> Most importantly, he differentiated *amakudari* into three major destinations: private corporations, public corporations, and political office.

In the late 1980s, a number of authors challenged Johnson's notion of bureaucratic dominance and called into question the nature of cohesion and cooperation among Japanese elites. These authors shared the view that the dominance of the Japanese bureaucracy in the political process had been exaggerated: policy-making processes in Japan are far more complicated than the image offered by the idea of a “Japan, Inc.” The Diet, the courts, local governments, and the LDP have all gained influence in policy making since the 1970s at the expense of the national bureaucracy. To paraphrase Pempel, the centripetal politics of Japan, Inc., had been superseded by the centrifugal politics of numerous pockets of pluralist power.<sup>10</sup> Haley argued that the iron-triangle model has obfuscated the realities of governance in Japan, although he does recognize a power elite in his later work.<sup>11</sup> The work of these and other authors served to marginalize the notion of bureaucratic domination of other institutional spheres but left open the idea of a cooperative alliance of institutional elites.

While explicitly rejecting Johnson's image of Japan's Ministry of International Trade and Industry (MITI) dominating the economy, Samuels suggested there was cooperation between ministries and the private sector without necessary consensus. The ministries and the private sector were involved in a process of “reciprocal consent” in which private firms gave the state jurisdiction over markets in return for their continued control of these markets.<sup>12</sup> To illustrate his thesis, Samuels presented a detailed historical

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8. Johnson, *Japan's Public Policy Companies*, p. 113.

9. Johnson, *MITI*, p. 71.

10. Pempel, “The Unbundling of ‘Japan, Inc.’: The Changing Dynamics of Japanese Policy Formation,” in *The Trade Crisis: How Will Japan Respond?* ed. Kenneth B. Pyle (Seattle: Society for Japanese Studies, 1987), p. 140.

11. Compare John Haley, “Governance by Negotiation: A Reappraisal of Bureaucratic Power in Japan,” in *The Trade Crisis*, p. 191; with John Haley, *Authority without Power: Law and the Japanese Paradox* (New York: Oxford University Press, 1991).

12. Writes Samuels, “I refer not to consensus as a cultural norm but to the transactional nature of Japanese government-business relations, which is enduring because of the political stability of Japan's national institutions.” See *The Business of the Japanese State*, pp. ix–x.

case study of the energy industry. He emphasized that stability in the relationships among bureaucrats, politicians, and the private sector provided the context for mutual consent. However, Samuels left unclear how the elite bureaucracy and the stability it provided allowed or induced mutual consent.

Okimoto built upon Samuels's concept of reciprocal consent by focusing on MITI's interinstitutional network of relations with the LDP and the private sector. Okimoto emphasized formal and informal networks of coordination and planning between the economic bureaucracy and the private sector. He focused neither on the state nor on business but on the overall pattern of *relations* between them that underpins industrial policy. "The fusion of what tends to be regarded as mutually exclusive opposites—organization and markets, public and private, and formal and informal—stands out as a notable characteristic of government-business relations in Japan." Okimoto identifies several converging factors making the informal policy networks important in particular: (1) "frame" society where consensus is the basis of policy, not legalistic codes; (2) Confucian stress on human relations; (3) emphasis on loyalty and trust; (4) social homogeneity; (5) the logistical convenience of Tokyo as the hub of both political and economic activity; and (6) the role of the educational system as the central mechanism for elite selection and social mobility. According to Okimoto, this combination makes Japan well suited to the informal, non-legalistic policy making that is a hallmark of its administrative apparatus.<sup>13</sup> Returning to his broader point, he suggested that the Japanese state is "able to exercise power only in terms of its network of ties with the private sector." The state relies on "consensus, habits of compliance and voluntary cooperation on the part of private actors to get things done."<sup>14</sup> In this way, Okimoto enlarged Samuels's point that networks emanating from ministries provide a basis for a subtly conditioned cooperation where terms of force and domination were too clumsy.

Okimoto's network conception led to a closer examination of the "maze of connections that link the public and private sectors together" as an element of a cohesive and cooperative power structure. Okimoto called these public-private ties the "intermediate zone," that is, "the network of ad hoc, informal ties that give industrial policy and government-business interactions the resilience and adaptability for which Japan is renowned."<sup>15</sup> He identified two types of policy networks of intermediate organization: formal and informal.

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13. Okimoto, *Between MITI and the Market*, p. 157.

14. *Ibid.*, pp. 226 and 228.

15. *Ibid.*, p. 152. Edward Keehn went further, contending that this type of informality in Japanese government-business relations represented "organizational strategies crucial to the functioning and performance of bureaucracy and government in Japan." See "Managing Interests in the Japanese Bureaucracy: Informality and Discretion," *Asian Survey* 30:11 (November 1990), p. 1021.

Formal networks include quasi-governmental organizations (e.g., Nippon Telegraph and Telephone [NTT] or Japan National Railroad) and public enterprises (e.g., Japan Housing Corporation). Informal networks grow out of work-related contacts between government and business leaders and are also a product of functional roles and ascriptive affiliations. Ascriptive networks include marital and kinship (*keibatsu*), common place of origin, and contact through mutual friends and school ties (*gakubatsu*). Functional networks are those emerging from friendships developed in the course of government-industry contacts, informal study groups, and *amakudari* networks. In his earlier work Okimoto contended that "the re-employment of higher civil servants in high posts within the private sector (*amakudari*) is perhaps the best unobtrusive indicator of relative bureaucratic power [relative strength of a ministry vis-à-vis other ministries]."<sup>16</sup> Thus, he suggested a hierarchy of ministries participating in *amakudari* networks.

In 1988, Prestowitz reasserted the emphasis on the homogeneity of bureaucrats, the cohesiveness of bureaucracy-business sectors, and the power of the bureaucracy in Japan's iron triangle. He restated existing notions that MITI and the Ministry of Finance (MOF) were "first-tier" ministries with exceptional influence, that the University of Tokyo Faculty of Law provided the background for most of the top bureaucrats, and that bureaucrats were imbued with a sense of mission regarding the interests of the nation. Prestowitz's points were not different from Lockwood, Abegglen, and Johnson. However, he amplified Johnson's position on *amakudari* as an underlying structural component of elite cohesion and cooperation, thereby reasserting the notion of an iron triangle. He pointed out that *amakudari* was not individually motivated but arranged by the ministries, providing private corporations with "lobbyists" to the ministries and ministries with "windows" to the private corporations. *Amakudari* provides "one of the key ingredients in the glue of Japan, Inc., and one of the subtle levers of the power of the ministries." Thus, Prestowitz provided an image of *amakudari* as an element of interinstitutional cooperation in an elite power structure.<sup>17</sup>

Karel van Wolferen presented a highly influential view of Japan's power structure of interinstitutional relations involving *amakudari*. He pointed out that the concept of Japan, Inc., is misleading because it implies central leadership and hierarchical authority. Instead, van Wolferen proposed a power structure with an empty center that he referred to as the System. The System suppresses opposition, accommodates electoral politics, and involves the bureaucracy, politicians, and private corporations. Here again, *amakudari* is

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16. Daniel Okimoto, "Political Inclusivity: The Domestic Structure of Trade" in *The Political Economy of Japan*, vol. 2, *The Changing International Context*, eds. Takashi Inoguchi and Daniel Okimoto (Stanford, Calif.: Stanford University Press, 1988), p. 319.

17. Prestowitz, *Trading Places*, pp. 113 and 117.

seen as a key mechanism of this triangle of System participants. His use of *amakudari* reiterates Johnson's distinction that *amakudari* includes the movement of retired bureaucrats to the public and private sectors as well as political office. According to van Wolferen, the function of *amakudari* is to "ensure 'smooth communication' between industry and the ministries" and "mingle and busily monitor the economy and maintain social control."<sup>18</sup>

Not all authors share the notion of *amakudari* as important to the structural mechanisms of Japan's political economy. Responding to Johnson and others who identified *amakudari* as fundamental to interinstitutional cooperation, Calder asserted that *amakudari*'s impact on the Japanese political economy was marginal. Similar to Johnson, Calder explained *amakudari* as a result of private firms' struggle to "manipulate and induce predictability in their political environment." According to him, the most important function of *amakudari* for the private firm is the access to information "concerning both likely regulatory actions by their former employers and more general economic and political developments"<sup>19</sup> Yet, unlike Johnson, Calder contended that *amakudari* has minimal impact on the Japanese political economy because its members go to weaker firms based on industry rank, sector, and geographical location.<sup>20</sup>

In contrast to Calder, Schaede showed an increasing prevalence of ex-officials (OBs, or "old boys") on the boards of directors of the 100 largest private firms between 1979 and 1991. Schaede used what she called a "management of regulation" perspective to complement Calder's argument by suggesting *amakudari* is the result of both ministry and private firms' efforts to manage their high contingency (uncertainty) over industry regulation. Although her analysis focused on the causes of *amakudari*, she speculated that *amakudari* may operate "to glue the firm to ministry regulators, providing the opportunity for favorable treatment by the government of firms in competition with

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18. See van Wolferen, *The Enigma of Japanese Power*, pp. 44–45. At this point, it is important to point out that Americans writing on interinstitutional relations in the Japanese political economy imported Western notions of power structure and iron triangle to patterns of relations among bureaucrats, politicians, and businesspersons. C. Wright Mills popularized a concern for power structure and the prospects for democracy. He saw societal power as rooted in large-scale bureaucratic organizations. He concentrated on the ways in which the leaders of these organizations came together to form a power structure or power elite in society. See *The Power Elite* (Oxford: Oxford University Press, 1956).

19. Kent Calder, "Elites in an Equalizing Role: Ex-bureaucrats as Coordinators and Intermediaries in the Japanese Government-Business Relationship," *Comparative Politics* 21:4 (July 1989), p. 392.

20. For a similar argument, see Bradley Richardson, *Japanese Democracy: Power, Coordination, and Performance* (New Haven, Conn.: Yale University Press, 1997); and Frank Schwartz, *Advice and Consent: The Politics of Consultation in Japan* (Cambridge: Cambridge University Press, 1998).

foreign manufactures.” In other words, Schaede's work suggested that *amakudari* functions to link the largest private corporations with central ministries, as well as serves as a bulwark of defense against international competition.<sup>21</sup>

In an attempt to steer a course between Schaede's analysis of *amakudari* to the largest corporations and Calder's contention of the marginal effect of *amakudari* on the Japanese political economy, Nakano provided a case study of the pattern of *amakudari* from the Ministry of Posts and Telecommunications (MPT). Although *amakudari* from the MPT went to some of the most robust corporations in the telecommunications industry, he contended that *amakudari* had no effect on the operations of those firms. In contrast to Johnson and Calder, Nakano argued that *amakudari* represents “spoils” resulting from the regulatory control of the ministry, because its placements “give little premium to technical expertise.”<sup>22</sup> *Amakudari* represents “spoils” because ex-bureaucrats are administrative track personnel (generalists), not technical track (specialists). Thus, personnel moving from the ministry to private firms have no technical expertise and are therefore less “competent” and “less use to the firm and less legitimate.” Further, in contrast to Calder's argument that *amakudari* goes to weak firms, Nakano found the movement of MPT *amakudari* was to the “more profitable, more prestigious, or more promising firms” in the telecommunication industry.<sup>23</sup>

In a survey of 331 ex-officials of the central bureaucracy, Cho found that *amakudari* is a response not to universal problems such as regulation but to the specific contingencies of the private firm and its relationship to the controlling ministry. According to Cho, *amakudari* involves three profiles based on its value to the firm. *Amakudari* officials are hired for their personal expertise; ability to negotiate government contracts, loans, and other financial benefits; or to interpret regulations of the ministry. Cho's thesis is that *amakudari* patterns are determined by the initiatives of private sector firms. *Amakudari* is a result of private firms' desire to form and maintain “osmotic networks” for resource mobilization from the central government. *Amakudari* bureaucrats function according to special needs and profit motives of those companies to which they took *amakudari* positions.<sup>24</sup> In contrast to other authors, Cho also conceptualized *amakudari* as an independent variable and explored the consequences or implications of *amakudari*. He suggested

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21. Ulrike Schaede, “The ‘Old Boy’ Network and Government-Business Relationships in Japan,” *Journal of Japanese Studies* 21:2 (Summer 1995), pp. 293–317.

22. Koichi Nakano, “Becoming a “Policy” Ministry: The Organization and *Amakudari* of the Ministry of Posts and Telecommunications,” *Journal of Japanese Studies* 24:1 (Spring 1998), p. 103.

23. Nakano, “Becoming a ‘Policy’ Ministry,” pp. 107–08.

24. Cho, *Nihon no seifu-kigyo*, p. 61.



that *amakudari* saves firms transactions costs, decreases specific categories of uncertainties, and produces a network of relations that transforms the structures of both the ministry and the firm. Linkages between the central bureaucracy and private sector firms created by *amakudari* give rise to new organizational structures.

There has also been a stream of research reasserting the importance of the broad macrosocietal conception of Japan as ruled by an iron triangle where *amakudari* is its empirical referent. This is accomplished through the concepts of "inducement mechanism" or "fusing" the bureaucracy with other sectors of Japanese society. Referring to *amakudari* as an "inducement mechanism," Masumi discusses the movement of ex-bureaucrats to LDP Diet membership.<sup>25</sup> Pempel views *amakudari* more generally, as the "blurring of the line between elected officials and career civil servants."<sup>26</sup> To illustrate this mutuality, dependence, and "blurring," he cites the high percentage of former bureaucrats who were prime ministers, powerful members of the LDP, and cabinet members. To Pempel, *amakudari* is the stuff of elite cooperation, alliances, and the fusing of the state with the public and private sectors providing the basis for stability and development. "Fusion" and "inducement mechanism" serve as synonyms for an alliance of elite cooperation. However, Pempel's notion of regime shift indicates significant changes in the mechanisms of elite fusion and *amakudari* between 1970s and 1990s.

This brief review of literature provides the context and agenda for the study of *amakudari*. It suggests several features of *amakudari* networks. First, these are elite personnel networks involving senior bureaucrats, top businesspersons, and politicians. Second, there is a hierarchy to these networks based on ministries' participation in these *amakudari* networks. Further, these networks represent negotiated, mutual, and reciprocal relationships between the government and different segments of the private sector.

## Concepts and Data

We are still left with unanswered questions including the empirical demonstration of the breadth and extent of the *amakudari* networks, the different paths, the extent of homogeneity and hierarchy of *amakudari* networks, and how *amakudari* networks changed over time.

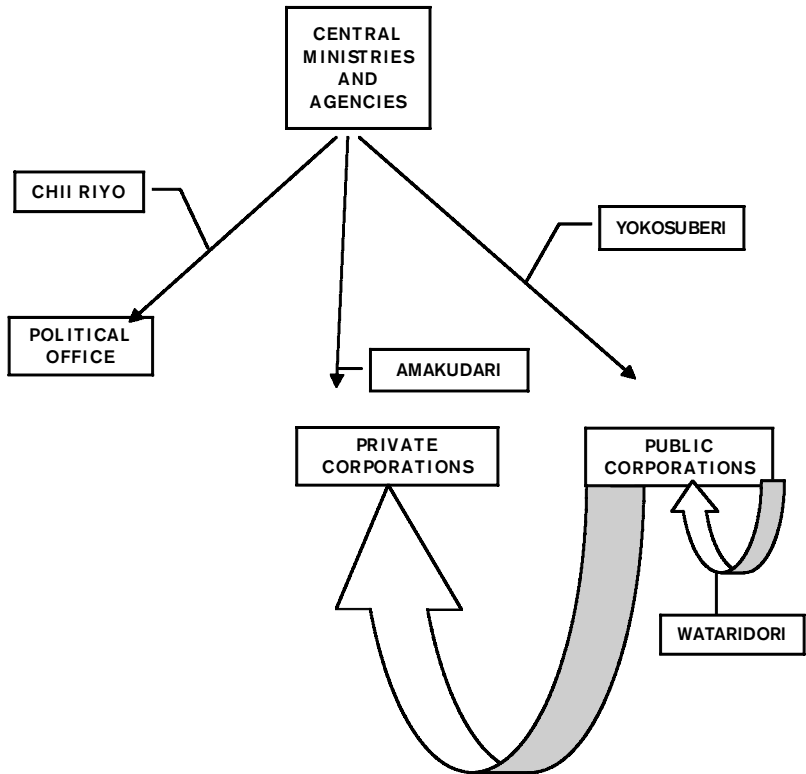
### *Different Paths*

Following Johnson's distinctions, the generic term of elite retirement, *amakudari*, may analytically be deconstructed into its major conceptual ele-

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25. Masumi Junnosuke, *Contemporary Politics in Japan*, trans. Lonny E. Carlile (Berkeley: University of California Press, 1995), p. 203.

26. Pempel, *Regime Shifts*, p. 74.

FIGURE 1 *Conceptual Map of Amakudari Paths*

ments (see Figure 1).<sup>27</sup> A movement of retiring bureaucrats to a private sector corporation is the most widely known form of *amakudari*. It represents ministries' direct penetration of private-sector, board of directors' decision making. *Yokosuberi* (sideslip) refers to a movement to public corporations. This represents ministries' indirect influence of the private sector through the flow of money, regulation, and licensing of public corporations. *Chii riyō* (position exploitation) is a form of *amakudari* referring to the movement of ex-bureaucrats into political office. This represents the transition of bureaucrats to political office used as a base for business-friendly legislation, distribution of subsidies, and use of the pork barrel apparatus to promote business interests and an electoral base.

In addition to these three paths mentioned by Johnson and others, we add *wataridori* (lit., migratory bird). *Wataridori* means a multistep career movement of retired civil servants. This indirect variant of the *amakudari* process

27. Johnson, *Japan's Public Policy Companies*, p. 105.

is not distinguished by destination but by the seriality of the reemployment movements between the public and private sectors.<sup>28</sup> Thus, the generic concept of *amakudari* includes *four* specific components within its conceptual space. It is important to point out that examination of any one path minimizes the interdependence among the different paths. Examination of all four paths provides a more holistic view of *amakudari* comprising the Japanese power structure's iron triangle.<sup>29</sup>

### *Hierarchy*

The structure of various *amakudari* paths has not been directly addressed but suggested by some authors. By structure we mean the ranking or stratification of ministries by their participation in these *amakudari* networks. Are *amakudari* networks more hierarchical and dominated by one or a few ministries or are they more egalitarian with all ministries equally participating? The idea of hierarchy implies that ministerial influence is stratified between first and second tier ministries. According to a hierarchical view, MOF or MITI had unusual influence because of broader policy and regulatory responsibilities than other ministries. This influence is seen as reflected in the number of *amakudari* personnel in the various *amakudari* paths.

*Amakudari* paths may involve two forms of hierarchy. First, a hierarchy may exist in any particular *amakudari* path when one or a small subset of ministries has a clear preponderance of placements. A second form of hierarchy may exist if one or a subset of ministries dominated all paths of *amakudari*. That is, one or a few ministries (e.g., MITI and MOF) may have a preponderance of placements along all paths of *amakudari*. This would constitute a "super-ministry" hierarchy. The more encompassing reasoning for hierarchy is based on the two-tier distinction among ministries. MOF and MITI are often distinguished from the other ministries based on their broader responsibilities for regulation and coordinating policy and this is assumed to correspond to the number of *amakudari* by ministry.

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28. Inoki Takenori, "Japanese Bureaucrats at Retirement: The Mobility of Human Resources from Central Government to Public Corporations," in *The Japanese Civil Service and Economic Development: Catalysts of Change*, ed. Hyung-Ki Kim (Oxford: Clarendon Press, 1995), pp. 213–34.

29. While our analysis of the four paths of *amakudari* makes a significant contribution to the literature on *amakudari*, it is by no means exhaustive of all the major forms of *amakudari*. For example, our third path, movements to political office, focuses on national political offices and leaves out local government positions. In addition, our study does not include the path to industrial associations. To our knowledge, no systematic studies have been published on these two paths (i.e., local governments and industrial associations).

### Change

If there is consensus on the notion of erosion in interinstitutional cooperation, its timing appears anywhere between the late 1960s to the 1980s. According to van Wolferen, MOF's influence began to decline in the mid-1960s when co-opted private interest groups began to tie the hands of MOF bureaucrats through the obligatory increases in fixed expenses, absorbing much of the increasing revenues and eliminating MOF's budgetary discretion.<sup>30</sup> Other observers attribute the ministries' decline to the rise of *zoku* politicians placing the decline of the three-way alliance in the late 1960s and the early 1970s.<sup>31</sup> According to Inoguchi and Iwai, changes in relations among institutional elites occurred in the 1970s and 1980s resulting from the emergence of "mass inclusionary pluralism."<sup>32</sup> The positions of authors differ on the timing and the degree of the erosion in elite cooperation. It is possible that ministries once dominant in the *amakudari* networks are being replaced by other ministries and agencies without much decline in the overall density of *amakudari* traffic. Alternatively, there may be both a decline in any ministry's dominance in the *amakudari* networks and an overall decrease in the density (numbers) in *amakudari* networks, suggesting a more dramatic demise in interinstitutional cooperation.

### Four Paths of *Amakudari* and Ministry Hierarchy

The National Personnel Authority (NPA) annually releases data since 1963 on bureaucrats petitioning the agency for permission to take positions in the private sector for all ministries and agencies of the central bureaucracy. The NPA data are the most systematic data source on the incidence of *amakudari* (Figure 2). Those who contend that *amakudari* is dying or dead typically rely on the NPA data. As shown in Figure 2, the official number of *amakudari* has declined dramatically since the middle of the 1980s.

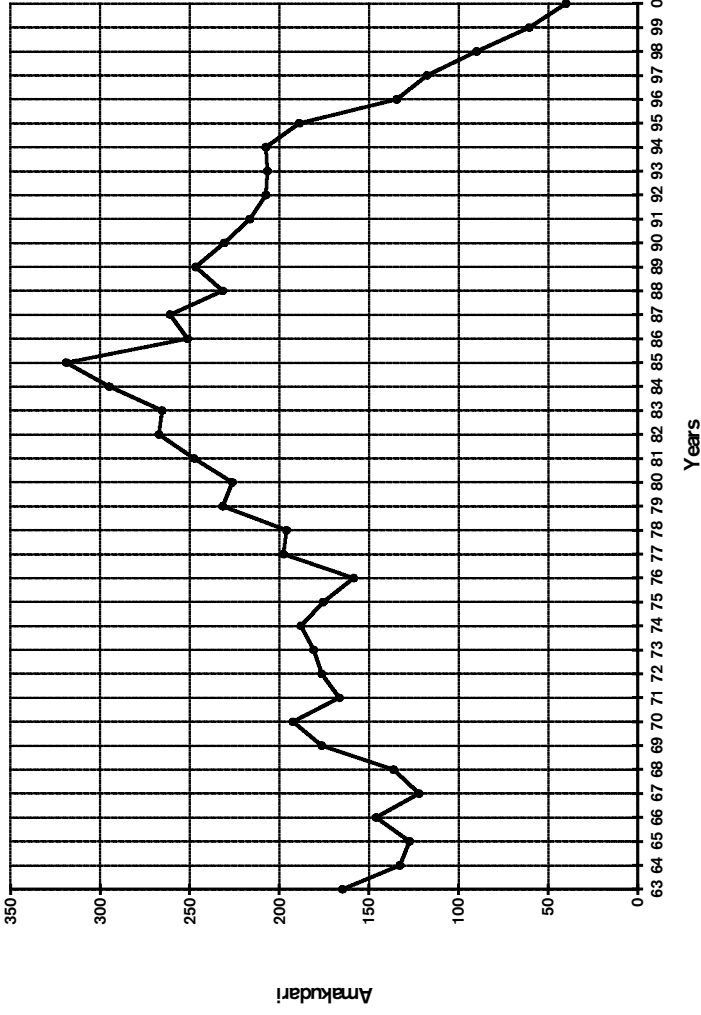
There are some nagging questions about the validity of the NPA data. First, of all the bureaucrats leaving the ministries, the NPA data cover only those whose placement in the private sector might qualify as a "conflict of interest." Very few top-level bureaucrats show up in the NPA data, raising the question of where the top echelons of bureaucrats go after retirement. Second, there is a puzzling discrepancy between the prevalence of *amakudari* on the boards of directors of private firms and the incidence of *amakudari*

30. See van Wolferen, *The Enigma of Japanese Power*, p. 122.

31. See, for example, Mabuchi Masaru, *Okura-sho wa naze oitsumeraretanaka* [Why was MOF hunted down?] (Tokyo: Chuo shinsho, 1997).

32. Inoguchi Takashi and Iwai T., *Zoku giin no kenkyu: Jiminto seiken o gyujiru shuyakutachi* [A study of *zoku* politicians: The actors in control of the LDP] (Tokyo: Nihon keizai shimbunsha, 1987).

FIGURE 2 NPA Data



SOURCE: The National Personnel Authority, *Eiri kigyō eno shushoku ni kansuru nenji hokokusho* (Annual report on employment to the private sector) (Tokyo: NPA, 1963–2000).

reported by the NPA data. High-ranking bureaucrats do not “descend” directly to the private sector firms upon retirement. Rather, they move to the public sector firms for at least two years to conform to requirements of the National Personnel Act of 1962.<sup>33</sup> Thus, we must move beyond an analysis of *amakudari* to the private sector based on the NPA data. In fact, the NPA data represent only “the tip of the iceberg,” reporting less than 10% of high-ranking bureaucrats retiring.<sup>34</sup> The NPA reports are a poor and misleading source for tracking the number of *amakudari* and are limited in the conceptual scope of *amakudari*. These concerns led us to assemble data sources that better illustrate the concept of *amakudari*.

### *The Data*

We used two sources of data for *amakudari* to the board of directors among private corporations. The first is *Seikai/kancho jinjiroku* [A directory of personnel in politics and the bureaucracy] published by Toyo keizai shinposha in 1995. This publication lists former bureaucrats who were on the boards of directors of 2,220 private sector listed firms (42,625 board of director positions) in 1994. The second data source comes from Schaede's 1995 data on former bureaucrats sitting on the boards of directors among top 100 corporations from 1979 and 1991.<sup>35</sup> We also used *Seikai/kancho jinjiroku* to construct data for *wataridori*. *Seikai/kancho jinjiroku* contains characteristics of organizational positions and personal attributes of the members of these boards, arranged by originating ministry/agency, *tokushu hojin* (a special type of public corporation, as explained below), or other quasi-governmental organizations. For example, if someone currently on the board of directors of a private manufacturing firm started his career with the Ministry of Finance, he is listed under MOF. The publication lists the name of the private company with which he is currently employed and the name of a company (and the position) for which he worked just before joining the current private firm, if he had taken more than one position after leaving the original ministry. This data structure allows the discrimination of *amakudari* from *wataridori*. Thus, if a person started his career at MOF, moved to Nippon Tobacco (an example of *tokushu hojin*), and then moved to a private firm (as a director), his name is listed under MOF, along with his current private sector position and his path through *tokushu hojin*.

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33. The NPA publication began after the Diet amended Article 103 of the Government Employee Act (Kokka Komuin Ho 103) and mandated the public disclosure of *amakudari* in 1962. The Civil Service Law 103, section 2 states that bureaucrats are prohibited from taking jobs for two years after retirement in the sector they regulated in the five years before their retirement.

34. *Japan Times*, March 6, 2000; December 22, 2000; and March 30, 2001. However, Cho's estimates are 20%–30% of high ranking officials. See *Nihon no seifu-kigyō*, p. 32.

35. Schaede, “The ‘Old Boy’ Network,” p. 303.

Our measure of *yokosuberi* is the board of director positions among the *tokushu hojin*. *Tokushu hojin* are sometimes called special legal entities and their functions vary from huge public works, social welfare services, and promotion of arts and culture to research and development. Data derive from publications by Seiroren, a federation of labor unions in government related organizations, from 1967 to 1998. Seiroren began publishing its survey results in 1973 as part of its campaign against *amakudari* in *tokushu hojin*. The number of *tokushu hojin* rose during the late 1950s and 1960s, as the government began creating them as a means for keeping the central government's size constant. There were 46 *tokushu hojin* after World War II, but the number increased to 113 by 1967. Several attempts to reorganize and restructure these organizations have reduced the total number of *tokushu hojin* to 85 in 1998. *Tokushu hojin* employed about 570,000 people, plus about 800 managing directors in 1996. The scale of operations of *tokushu hojin* in the public sector makes it particularly appropriate for the examination of *amakudari* movement to public corporations.

Data for *chii riyo* were collected for three top positions since World War II: prime ministers, cabinet posts, and the lower house LDP membership. We used various sources including *Kokkai benran* [A current list of Diet members] and *Rekidai kokkai giin meikan* [A historical list of Diet members, 1885–1996], both of which list the names and career background of political office holders, as well as data published by Scalapino and Masumi, Uchida, and in the *Asahi shinbun*.<sup>36</sup>

#### *Amakudari* to Private Sector Firms

In 1994 there were 873 *amakudari* in 2,200 listed private firms. The first three columns of Table 1 show that former bureaucrats held 2.0% (873 of 42,625) of all board of director positions combined among the 2,220 firms. However, 621 of the 2,220 firms (28%) had at least one *amakudari* bureaucrat on their board, meaning that there is a rather broad distribution of *amakudari* in the private sector. In addition, the third column of the table indicates that the top three ministries accounted for the majority (58%) of *amakudari*: MOF (24.4%), Construction (20.6%), and MITI (13.2%). If we add the Tax Agency (9.6%), which belongs to the MOF, and the Ministries of Transportation (8%) and Agriculture (6.6%), we find over 82% of all ex-bureaucrats on private sector boards came from these five ministries and one

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36. Robert Scalapino and Junnosuke Masumi, *Gendai Nihon no seito to seiji* [Parties and politics in contemporary Japan (Tokyo: Iwanami shoten, 1962); and Uchida Kenzo, *Gendai Nihon no hoshu seiji* [Conservative politics in contemporary Japan] (Tokyo: Iwanami shoten, 1989). *Kokkai benran* (annual) (Tokyo: Nihon seikei shinbunsha, 1968, 1973, 1984, 1993, 1997–2001); and Gikai Seido Kenkyukai [Parliamentary System Research Group], *Rekidai kokkai giin meikan* [A historical list of Diet members, 1885–1996] (Tokyo: J. P. Tsushinsha, 1996).

TABLE 1 *Amakudari and Wataridori onto the Board of Directors of 2,220 Private Firms, 1994*

<i>Originating Ministry/ Agency</i>	<i>Number of Amakudari</i>	<i>% Amakudari</i>	<i>Amakudari Rank</i>	<i>Number of Wataridori*</i>	<i>% Wataridori</i>	<i>Wataridori Rank</i>
Ministry of Finance	213	24.4	1	81	28.9	1
Ministry of Construction	180	20.6	2	58	20.7	2
MITI	115	13.2	3	53	18.9	3
National Tax Agency	84	9.6	4	2	0.7	
Ministry of Transportation	70	8.0	5	38	13.6	4
Ministry of Agriculture	58	6.6	—	22	7.9	5
Police Agency	43	4.9	—	5	1.8	—
Ministry of Posts & Telecommunications	28	3.2	—	10	3.6	—
Defence Agency**	26	3.0	—	5	1.8	—
Prime Minister's Office#	13	1.3	—	0	—	—
Development of Hokkaido	8	0.9	—	1	0.4	—
Ministry of Justice	7*	0.8	—	0	—	—
Ministry of Health & Welfare	6	0.7	—	0	—	—
Board of Audit	5	0.6	—	2	0.7	—
Land Agency	4	0.5	—	3	1.1	—
Ministry of Labor	3	0.3	—	0	—	—
Environment Agency	2	0.2	—	0	—	—
Management & Coordination Agency	2	0.2	—	0	—	—
Ministry of Home Affairs	1	0.1	—	na	—	—
Ministry of Education	1	0.1	—	0	—	—
Ministry of Foreign Affairs	1	0.1	—	0	—	—
Science & Tech. Agency	1	0.1	—	0	—	—
Food Agency	1	0.1	—	na	—	—
Economic Planning Agency	0	0.0	—	0	—	—
<i>Amakudari Total</i>	873	100	—	(280) *	(100)	—

SOURCE: Toyo keizai shinposha, *Seikai/kancho jinjiroku* [A directory of personnel in politics and the bureaucracy] (Tokyo: Toyo keizai shinposha, 1995).

NOTES: *Wataridori* out of *amakudari* = 280/873 (32.1%); total number of firms = 2,220; number of firms with at least one *amakudari* = 621 (28.0% of 2,220 firms); number of the boards among 2,220 firms = 42,625; percentage of *amakudari* = 2.0 (873/42,625).

\*Number of *wataridori* refers to the number of indirect routes of *amakudari*.

\*\*Includes Defence Administrative Agency.

#Includes commissions housed under the Prime Minister's Office, such as the Commission for Maritime Safety.

agency. This suggests a substantial concentration of *amakudari* and a hierarchy of the *amakudari* networks by a handful of ministries. To the extent that the presence of ex-bureaucrats represents the interinstitutional integration between the bureaucracy and the private sector, personnel from three ministries accomplish important business-bureaucracy integration. There is a clear hier-



TABLE 2 *Amakudari to the Boards of Directors of the 100 Largest Private Firms 1979-1991*

Year	Total No. of Directors (A)	No. of Firms with Amakudari	No. of Amakudari from Ministries (B) (% B/D)	Number of Amakudari from Public Corps. (C) (% C/D)	Total (D) (% D/A)
1979	2,715	35	35 (60)	23 (40)	58 (100) (2.13)
1981	2,727	40	41 (53)	37 (47)	78 (100) (2.86)
1983	2,965	39	50 (67)	37 (33)	87 (100) (2.9)
1985	3,122	50	71 (65)	59 (35)	130 (100) (4.2)
1987	3,217	62	68 (40)	102 (60)	170 (100) (5.3)
1989	3,423	65	69 (40)	103 (60)	172 (100) (5.02)
1991	3,605	67	85 (48)	92 (52)	177 (100) (4.91)

SOURCE: Adapted from Ulrike Schaeede, "The 'Old Boy' Network and Government-Business Relations in Japan," *Journal of Japanese Studies* 21:2 (Summer 1995), p. 303, Table 1.

NOTE: The authors of this paper calculated percentages for (B) and (C)

archical character to *amakudari* networks led by MOF, Construction, and MITI.<sup>37</sup>

If we compare *amakudari* patterns for 1994 among 2,220 listed firms with those among the largest 100 private firms between 1979 and 1991 published by Schaeede, we can identify three important features. First, there is a substantially larger concentration of *amakudari* among the top 100 firms. In Table 2 we see that for 1991, 4.9% of all board positions were *amakudari* and 67 of these 100 firms had at least one *amakudari* on their board. Second, these numbers are up from the 2.13% of all director positions and 35 of the 100 largest firms with at least one *amakudari* on the board in 1979. In other words, for the largest 100 private firms there has been an increased concentration of *amakudari* to their boards of directors between 1979 and 1991. Third, in 1991 over 50% of the ex-bureaucrats on the board of directors of the 100 largest private firms came from *public corporations* (Table 2, column 5),

37. The data in Table 1 suggest that Nakano's analysis of the distribution of *amakudari* from the Ministry of Posts and Telecommunications is interesting as a case study, but it might lose sight of the distribution of *amakudari* broadly into the private sector.

meaning that they did not move directly to these private corporations after leaving the central ministries but first moved to public corporations. It suggests the importance of *yokosuberi* and *wataridori* in understanding the linkages between the public and private sectors.

### *Yokosuberi to Tokushu Hojin*

One compelling reason for the movement of ex-bureaucrats to the large public corporations is the administrative constraint on bureaucrats moving from the ministries directly into the private sector, resulting from the 1962 National Personnel Act. It is important to emphasize that *tokushu hojin* are extremely powerful organizations with estimates of their operating budgets being as high as 22% of GDP in 1995.<sup>38</sup> The size and presence of *yokosuberi* in the public sector represents a context for the interdependence of public and private sector operations, especially where the private sector is dependent on loans, subsidies, contracts, and grants by these corporations.

Data in Table 3 indicate that in 1998, 44.3% of the boards of *tokushu hojin* were *yokosuberi*, down from approximately 70%–80% in the late 1960s and 1970s. In 1979 the Diet passed a regulation limiting *yokosuberi* to *tokushu hojin* boards of directors to 50% or less. Since that time, criticisms of *yokosuberi* to *tokushu hojin* continued to intensify, calling for the dismantling of *tokushu hojin* via reorganization or privatization of these entities. It is clear that the 1979 regulation, along with the media and political pressure, reduced the presence of ex-bureaucrats on the boards of directors of the powerful public corporations.

Data in Table 3 reveal several important features of *yokosuberi*. Although rapidly decreasing over time, 44.3% of the board positions still represent a substantial control of these large public corporations. Table 4 indicates that, compared to *amakudari* to the private sector, *yokosuberi* networks are much more dispersed with some 30% of *yokosuberi* coming from the top three ministries and 46% coming from the same five ministries (as shown in Table 1) dominating *amakudari* placements. Further, only MITI and MOF accounted

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38. Hayashi Chikio and Iriyama Akira, *Koeki hojin no jitsuzo* [The reality of Japanese public corporations] (Tokyo: Diamondosha, 1997), p. 9. *Tokushu hojin* are financed primarily through a “second budget” (the Fiscal Investment and Loan Program [FILP, or *zaito*]) that is directed by the MOF. According to Noguchi, the FILP fund was 8.2% of GDP and between 60% and 70% of the size of the central government’s general budget account. See his “The Role of Fiscal Investment,” in *Japanese Civil Service*, p. 267. This second budget and the *tokushu hojin* that distribute and administer them represent an important source of government influence on Japanese society. High profile examples of former as well as current *tokushu hojin* include NTT, the four Japan Rail companies, the Japan Development Bank, the Export-Import Bank of Japan, and Japan Air Lines. Although the number of *tokushu hojin* is small, the lower estimate of the total operating costs of these corporations was a little over 11% of GDP in 1995, or 22% if loans, investments, and other subsidies are included.

TABLE 3 *Yokosuberi to Tokushu Hojin Board of Director Positions*

<i>Year</i>	<i>Number Surveyed (A)</i>	<i>B of D Total (B)</i>	<i>Number of Yokosuberi</i>	<i>% Yokosuberi (B/A)</i>
1967	38	276	214	77.5
1969	42	263	184	70.3
1971	43	255	188	73.7
1973	61	384	303	79.2
1975	66	433	350	80.8
1977	65	397	315	79.3
1979	75	454	353	77.7
1981	109 <sup>*</sup>	772	546	70.7
1983	99 <sup>*</sup>	727	477	65.6
1985	99 <sup>*</sup>	704	464	65.9
1987	87 <sup>*</sup>	670	430	64.2
1989	92 <sup>*</sup>	750	433	57.8
1991	92 <sup>*</sup>	764	435	56.9
1993	92 <sup>*</sup>	821	431	52.5
1998	85 <sup>*</sup>	811	359	44.3

SOURCE: Seiroren, *Amakudari jittai chosa hokokusho* [Condition of *amakudari*] (Tokyo: Seiroren, 1994). Source for 1998 information is Seiroren, "*Amakudari hakusho*" [White paper on *amakudari*], internal document, generated 1998.

<sup>\*</sup>This is the total population of Tokushu hojin.

for 10% or more of the total *yokosuberi* placements in 1998. The Ministries of Education, Labor, and Health and Welfare combined accounted for more than 16% of placements in the public sector in 1998, while their representation of *amakudari* placements was minuscule in the private sector. The distribution of *yokosuberi* across the ministries indicates that this path is more dispersed and less hierarchical than the *amakudari* path. Our analysis also suggests that the former path may be interdependent with the latter one. That is, *yokosuberi* may represent an alternative to the direct path to the private sector (*amakudari*) for those prohibited from taking the direct path by the 1962 NPA Act. This legislative constraint on personnel movements and the economic interdependence of the two (private and public) sectors also raises the issue of multi-step movements to the private sector, *wataridori*.<sup>39</sup>

39. For a more extensive discussion of *yokosuberi* see Colignon and Usui, "Hidden Aspects of Japan's Central Bureaucracy: *Yokosuberi* (Sideslip) and Public Corporations" in *The 2000 Best Papers Proceedings* (Chesterfield, Missouri: Association of Japanese Business Studies [AJBS], 2000), pp. 39-56.

TABLE 4 *Summary of Ranking by the Number of Yokosuberi*

Rank	1973	1982	1991	1998	1998 Numbers (%)
1	MITI	MITI	Agriculture	MITI	41 (11.4)
2	Agriculture	Agriculture	MITI	MOF	36 (10.0)
3	MOF	MOF	MOF	Agriculture	32 (8.9)
4	Construction	Construction	Construction	Construction; Transport	28 each (7.8)
5	Education	Education	Local gov.	—	—
6	Local gov.	Local gov.	Transport	Education	22 (6.1)
7	Transport	Transport	Education	Land; Labor	19 each (5.3)
8	PMO	Labor	Labor; PMO	—	—
9	Police	Sci. & Tech.	—	H & W	17 (4.7)
10	Labor	Land	Land; H & W	Sci. & Tech.	16 (4.6)
Total	303	371	435	359	(100)

SOURCE: Ibid.

NOTES: MITI = Ministry of International Trade and Industry; MOF = Ministry of Finance; Agriculture = Ministry of Agriculture, Forestry, and Fisheries; Construction = Ministry of Construction; Transport = Ministry of Transport; Education = Ministry of Education and Culture; Local gov. = Local governments; Labor = Ministry of Labor; PMO = Prime Minister's Office; Sci. & Tech. = Agency of Science and Technology; H & W = Ministry of Health and Welfare; Land = Agency of Land.

### *Wataridori*

Nakano and Cutts indicated that the operations of public corporations open not only *amakudari* placements to the private sector but also provide employment along the *wataridori* path for ex-bureaucrats from whichever ministry is in charge of a particular public corporation.<sup>40</sup> These authors reveal how *amakudari* placements result from private companies doing business with public corporations. For example, Cutts reports that 74 private companies, which handled 93% of the value of the public orders placed by the Kanto Regional Agricultural Association (public corporation), had 434 *amakudari* employed from the Ministry of Agriculture (MOA; this number included ex-bureaucrats from all levels of the ministry). Thus, public corporations, through loans, subsidies, and contracts, not only provide *yokosuberi* positions but also open director positions in private firms (that these public corporations deal with) for the parent ministry (in this case, MOA). This creates both direct (*amakudari and yokosuberi*) and indirect (*wataridori*) routes of personnel movement. The *wataridori* paths represent subsequent movements of ex-officials to these private companies after initially moving from the

40. Nakano, "Becoming a 'Policy' Ministry"; and Robert Cutts, *An Empire of Schools: Japan's Universities and the Molding of a National Power Elite* (Armonk, N.Y.: M.E. Sharpe Press, 1997).

MOA to the boards of a public corporation like the Kanto Regional Agricultural Association. This indirect route (*wataridori*) allows these officials to comply with NPA constraints.

Our *wataridori* data show how the retirement of ex-officials follows both a direct and indirect pattern revealing a complex sense of networks created by *amakudari*. Going back to Table 1 (see Notes), columns 5 and 6 summarize *wataridori* traffic (the number of *wataridori* and “overall” percentages of *wataridori* to *amakudari*) by central ministry of origin. They show that 32.1% (280 of 873) of ex-bureaucrats on the boards of directors of 2,220 firms came to these positions indirectly through another position (*wataridori*).<sup>41</sup> Also, the data in the column 5 of Table 1 indicate that the same five ministries dominate the origin of *wataridori*: MOF (28.9%), Construction (20.7%), MITI (18.9%), Transportation (13.6%), and MOA (7.9%). These five ministries together account for 90% of the *wataridori* paths. As in *amakudari* patterns, networks created by *wataridori* are more concentrated in the largest firms: *wataridori* accounted for 32.1% of *amakudari* among 2,220 listed firms (column 5 of Table 1), as opposed to 52% of *amakudari* among the top 100 private firms (column 5 of Table 2, 1991).<sup>42</sup>

#### *Chii Riyo* to Political Office

Data we assembled on prime ministers, cabinet secretaries, and the lower house LDP members indicate a clear decline in the presence of ex-bureaucrats in the first two political office positions since the 1970s but not among the latter group. Table 5 shows that since 1981 there has been only one prime minister (Miyazawa Kiichi) who was an ex-bureaucrat. Prior to 1980, *chii riyo* politicians dominated the prime ministership, occupying nine of 15 positions back to 1945. In the early post-war years, most *chii riyo* prime ministers came from the Ministry of Foreign Affairs (MFA), but after 1960 they came from MOF. Further, Table 6 indicates that there has been a significant decline in *chii riyo* in the cabinet, from over 50% (1963) to over 22% (2001). Compared to the prime ministership, the ministry of origin of *chii riyo* politicians to cabinet positions is much more dispersed with no particular dominating ministry. However, Table 7 shows that there has been a stable level (approximately 20%) of lower house LDP members that were ex-bureaucrats since the creation of the LDP as the dominant political party in 1955. What is noteworthy is MOF's climb and predominance as the ministry

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41. Our separate analysis of *wataridori* shows that 94% (262 of 280) of them came to the private sector from public corporations such as *tokushu hojin* (N = 178) or quasi-government agencies (N = 84) (such as the Bank of Japan). See Colignon and Usui, “Serial Retirement of Administrative Elites: *Wataridori*” in *The 1999 Best Papers Proceedings*, eds. Christophe B. Meek and Sane. J. Schvaneveldt (Chesterfield, Missouri: AJBS, 1999), pp. 43–60.

42. For a more extensive discussion of *wataridori*, see *ibid.*

TABLE 5 *Career Backgrounds of Japanese Prime Ministers since 1945*

<i>Prime Minister</i>	<i>Career Background</i>	<i>Term of Office</i>
1 Higashikuni N.	Military	Aug. 17, 1945–Oct. 9, 1945
2 <b>Shidehara Kijuro</b>	<b>Bureaucrat (MFA)</b>	Oct. 9, 1945–May 22, 1946
3 <b>Yoshida Shigeru</b>	<b>Bureaucrat (MFA)</b>	May 12, 1946–May 24, 1947
4 Katayama Tetsu	Politician	May 24, 1947–March 10, 1948
5 <b>Ashida Hitoshi</b>	<b>Bureaucrat (MFA)</b>	March 10, 1948–Oct. 15, 1948
6 <b>Yoshida Shigeru</b>	<b>Bureaucrat (MFA)</b>	Oct. 15, 1948–Dec. 10, 1954
7 Hatoyama Ichiro	Politician	Dec. 10, 1954–Dec. 23, 1955
8 Ishibashi Tanzan	Journalist	Dec. 23, 1956–Feb. 25, 1957
9 <b>Kishi Nobusuke</b>	<b>Bureaucrat (MCI)*</b>	Feb. 25, 1957–July 19, 1960
10 <b>Ikeda Hayato</b>	<b>Bureaucrat (MOF)</b>	July 19, 1960–Nov. 9, 1964
11 <b>Sato Eisaku</b>	<b>Bureaucrat (MOR)#</b>	Nov. 9, 1964–July 7, 1972
12 Tanaka Kakuei	Businessman	July 7, 1972–Dec. 9, 1974
13 Miki Takeo	Politician	Dec. 9, 1974–Dec. 24, 1976
14 <b>Fukuda Takeo</b>	<b>Bureaucrat (MOF)</b>	Dec. 24, 1976–Dec. 7, 1978
15 <b>Ohira Masayoshi</b>	<b>Bureaucrat (MOF)</b>	Dec. 7, 1978–June 12, 1980
16 Suzuki Zenko	Interest group (fisheries)	July 17, 1980–Nov. 27, 1982
17 Nakasone Yasuhiro	Politician##	Nov. 27, 1982–Nov. 6, 1987
18 Takeshita Noboru	Prefectural assemblyman	Nov. 6, 1987–June 2, 1989
19 Uno Sosuke	Politician	June 3, 1989–Aug. 10, 1989
20 Kaifu Toshiki	Politician	Aug. 10, 1989–Nov. 5, 1991
21 <b>Miyazawa Kiichi</b>	<b>Bureaucrat (MOF)</b>	Nov. 5, 1991–Aug. 9, 1993
22 Hosokawa Morihiro	Politician	Aug. 9, 1993–April 27, 1994
23 Hata Tsutomu	Politician	April 28, 1994–June 29, 1994
24 Murayama Tomiichi	Politician	June 30, 1994–Jan. 11, 1996
25 Hashimoto Ryutaro	Politician	Jan. 11, 1996–July 30, 1998
26 Obuchi Keizo	Politician	July 30, 1998–April 5, 2000
27 Mori Yoshiro	Politician	April 5, 2000– <b>April 26, 2001</b>
28 Koizumi Junichiro	Politician	April 26, 2001–present

SOURCES: *Rekidaï naikaku soran* [A historical directory of Diet members] (Tokyo: J. P. Tsushinsha, 1996), pp. 369–83; and *Kokkai benran* [A current list of Diet members] (Tokyo: Nihon seikei shinbunsha, 1997–2001).

NOTES: MCI = Ministry of Commerce and Industry (precursor to MITI). The LDP was formed in 1955 and captured the majority in the lower house in every election from 1955 to 1993.

\*Ministry of Railroad (Tetsudo sho).

##Nakasone was a civil servant (Home Ministry) but left the bureaucracy after six years and entered politics when he was 29 years old. Thus, he is treated as a career politician, not a *chii riyō* politician.

of origin for lower house LDP *chii riyō* members (Table 8). The decline in the presence of ex-bureaucrats among prime ministerships and cabinet positions since 1980 but the stability at the LDP membership over time may suggest the development of either more pluralistic democratic politics or the

TABLE 6 *Summary of Cabinet Members by Chii Riyo*

	1953	1963	1972	1983	1993	1998	2001
Cabinet size <sup>a</sup>	20	21	21	23	22	25	18
<i>Chii Riyo</i>	5 (25%)	11 (52.4%)	7 (33.3%)	6 (26.1%)	6 (27.3%)	5 (20.0%)	4 (22.6%)
Ministry	FA (2)	MOF (5)	MOF (3)	HA (1)	HA (2)	MOF (2)	MOF (1)
	HM (2)	MPT (2)	MPT (2)	H & W (1)	Labor (2)	H & W (1)	MITI (1)
	MT (1)	HA (1)	HA (1)	Labor (1)	MOF (1)	MITI (1)	HA (1)
	-	FA (1)	Labor (1)	Agri. (1)	Justice (1)	Educ. (1)	Labor (1)
	-	H & W (1)		Const. (1)			
	-	Trans. (1)		Trans. (1)			

SOURCE: *Gikai Seido Kenkyukai, Rekidai kokkai giin meikan*; and Nichigai Associates, Inc., *Japanese Statesmen* (Tokyo: Naigai Associates, 1990).

NOTES: The reduction in the size of the 2001 cabinet is because of the administrative reform that took place in January 2001. For example, the number of ministries was reduced from the previous 12 to 10. FA = Ministry of Foreign Affairs; HM = Home Ministry (changed to Ministry of Home Affairs after WWII); MT = Ministry of Transport; MOF = Ministry of Finance; MPT = Ministry of Posts & Telecommunications; HA = Ministry of Home Affairs; H & W = Ministry of Health & Welfare; Trans. = Ministry of Transport; Labor = Ministry of Labor; Agri. = Ministry of Agriculture, Forestry & Fisheries; Const. = Ministry of Construction; Justice = Ministry of Justice; MITI = Ministry of International Trade & Industry; Educ = Ministry of Education and Culture.

<sup>a</sup>Number refers to cabinet members with valid data.

TABLE 7 *Chii Riyo among LDP Members of the Lower House for Selected Years*

<i>Election Dates</i>	<i>Size of LDP Membership</i>	<i>Number of Chii Riyo</i>	<i>%</i>	<i>Data Source</i>
April 25, 1947	120 (Liberal party)	17	14.2	(1)
	106 (Progressive)	8	7.5	(1)
January 23, 1949	261 (Lib. Democratic)	44	16.8	(1)
	75 (Democratic)	13	17.3	(1)
April 19, 1953	237 (Liberal)	58	24.5	(1)
	76 (Progressive)	14	18.4	(1)
	283 (Lib + Prog) <sup>a</sup>	51	18.0	(2)
May 22, 1958	298	79	26.5	(1)
January 29, 1967	278	56	20.1	(2)
December 10, 1972	282	56	19.9	(2)
October 7, 1979	302	79	26.2	
December 18, 1983	236 <sup>**</sup>	51	21.6	(2)
July 6, 1986	304	70	23.6	(3)
	297	67	22.6	(4)
July 18, 1993	226	50	22.1	(2)
June 25, 2000	238	47	19.7	(2)

SOURCES: (1) Robert Scalapino and Junnosuke Masumi, *Gendai Nihon no seito to seiji* [Parties and politics in contemporary Japan] (Tokyo: Iwanami shoten, 1962), Appendix Table 3, pp. 2–3. (2) Calculation by Chikako Usui based on *Kokkai benran*, 1968, 1973, 1984, 1994, 2001; *Japanese Statesmen* (Nichigai Associates, Inc., 1990). (3) *Asahi shinbun*, July 8, 1986, p. 9. (4) Uchida Kenzo, *Gendai Nihon no hoshu seiji* [Conservative politics in contemporary Japan] (Tokyo: Iwanami shoten, 1989), p. 162.

<sup>a</sup>There were 309 members of Liberal and Progressive Parties but the data were missing for 26 cases. Thus, the percentages were calculated based on 283 cases.

<sup>\*\*</sup>There were 240 LDP members but the data were missing for four cases. Thus, the percentages were calculated based on 236 cases.

TABLE 8 *Chii Riyo (Lower House LDP Membership) by Originating Ministry*

Year of Election		1953	1967	1972	1983	1993	2000
Total no. of <i>chii riyo</i>	–	51	56	56	51	50	47
Ministry rank	1	HA 24 (38.9%)	HA 14 (25%)	MOF 19 (33.9%)	MOF 19 (37.3%)	MOF 19 (38%)	MOF 16 (34%)
	2	FA 6 (11.8%)	MOF 14 (25%)	HA 14 (25%)	HA 11 (21.6%)	Agri. 7 (14%)	MITI 9 (19.1%)
	3	MOF 5 (9.8%)	MITI 7 (13.7%)	MITI 4 (7.1%)	Agri. 5 (9.8%)	HA 6 (12%)	Const. 6 (12.8%)
	4	Agri. 5 (9.8%)	Agri. 5 (8.9%)	Agri. 4 (7.1%)	MITI 4 (7.8%)	MITI 5 (10%)	Agri. 5 (10.6%)
	5	MITI 4 (7.8%)	Trans. 5 (8.9%)	Trans. 4 (7.1%)	Labor 4 (7.8%)	Const. 5 (10%)	HA 3 (6.4%)
		P & T 4 (7.8%)					

NOTE: See Table 6 for sources and guide to acronyms.

emergence of rival elites.<sup>43</sup> All the paths taken together indicate a stratification or hierarchy to the family of *amakudari* paths with the MOF at the top. MOF, Construction, and MITI dominated *amakudari* to the private sector with over 59.9% (Table 1) of all positions on the boards of directors. Although *yokosuberi* was significantly more dispersed, 20% (Table 4) of the boards of public corporations came from MOF and MITI in 1998. *Wataridori* paths showed the highest concentration with MOF, Construction, and MITI accounting for 69% (Table 1) of all positions. Finally, although the ministry of origin was quite dispersed for cabinet positions, MOF placed four of nine prime ministers and over one-third of *chii riyo* lower house LDP members.<sup>44</sup>

### Change

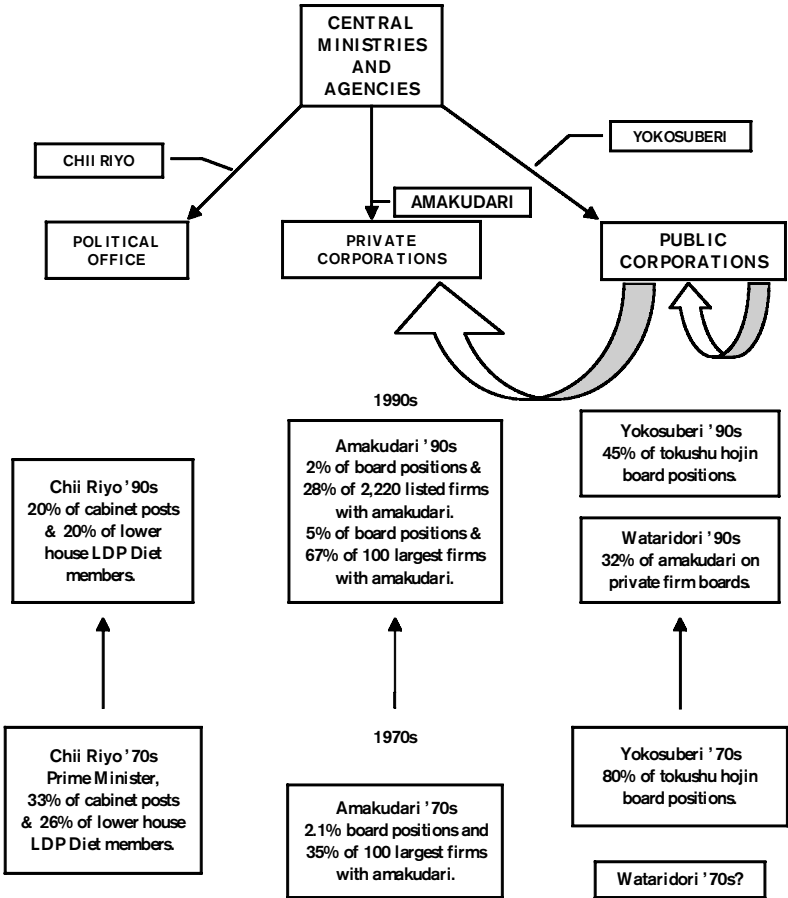
Figure 3 presents a composite chart of the distribution of ex-bureaucrats on the boards of private and public corporations and in national political office for the 1990s and the late 1970s. The comparison of the two time periods suggests that the presumed demise of interinstitutional cooperation is an

43. Usui and Colignon, "Hidden Aspects."

44. For a more extensive discussion of *chii riyo*, see Usui and Colignon, "Japanese Political Office by Way of *Chii Riyo*, Today, and Heredity," *The 2000 Best Papers Proceedings* (Chesterfield, Missouri: AJBS, 2000), pp. 297–314.



FIGURE 3 Empirical Chart of Amakudari Paths and Changes between 1970s and 1990s



overstatement. To the extent that *amakudari* represents elite cohesion, institutional integration, and the strength of an elite power structure, the evidence supports its resilience, rather than its demise. Yet, the facts that only one ex-bureaucrat has been prime minister in the past 20 years and that the representation of ex-bureaucrats in the cabinet posts has declined from more than 50% to 20% indicate important changes in the *amakudari* network. However, from 1970 to 1990 there has been an increasing penetration of *amakudari* on the boards of the 100 largest firms. Further, although the percentage of *yokosuberi* on the boards of public firms has declined, it still suggests substantial control of these boards in the 1990s. The preponderance of evidence suggests a resilience of the *amakudari* network.

## *Amakudari* Embedded in the Japanese Economy

The meaning of the distribution of *amakudari* is dependent on the scope of conception, the data mobilized, and the assumptions one makes about the social organization of Japanese society. We have provided a broad conception of four distinct *amakudari* patterns and systematic quantitative data on all four paths. However, it is the assumptions that are most relevant to the interpretation of *amakudari*. First, we emphasized the systematic gathering of quantitative data rather than arguments from fragmentary data or simply deductions from theory. Our more structural data stress the systematic details of *amakudari* movements. Second, interinstitutional cooperation and the meaning of *amakudari* are an organic part of Japanese society and not amenable to analysis by only a look at the private sector. Interpreting the placement in exclusively individual terms (e.g., sinecure or spoils) minimizes the political and social forces operating to institutionalize interinstitutional cooperation. Instead, institutional configurations and the role of *amakudari* in those relationships are based on an understanding that interinstitutional cooperation is an inherent part of society constantly interacting with other forces in that society.<sup>45</sup> By organic part of society, we mean that holistically understood, the *amakudari* network is a fundamental personnel movement linking formally differentiated institutions of Japanese society. Third, instead of viewing *amakudari* as being isolated ex-officials falling within a random distribution of decision-making orientations, we assume they are rooted by a substantial degree of homogeneity of outlook. Decision making takes place in a larger context of perceived social networks, institutionally rooted understandings, and asymmetries of institutional influence.

The position that *amakudari* has little or no effect on the Japanese political economy provides a point of comparison with our own. The former presents the view that *amakudari* is a simple aggregation of individuals randomly scattered in Japanese society. This outlook does not recognize the broader pattern or the potential influence in the grounding of *amakudari* decisions on the boards of directors or in political office. For example, Richardson questioned the role of *amakudari* on the economy. Because the number of *amakudari* each year is small (involving less than 10% of the listed firms), it therefore could not affect the overall economy and little evidence existed that *amakudari* affected firm decisions. Calder similarly argued that *amakudari* was to small banks and not to larger, more important city banks. Nakano also

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45. Neil Smelser, "Introduction," in *The Handbook of Economic Sociology*, eds. Neil Smelser and Richard Swedberg (Princeton: Princeton University Press, 1994); and Paul Hirsch et al., "'Dirty Hands' versus 'Clean Models': Is Sociology in Danger of Being Seduced by Economics?" *Theory and Society* 16:3 (1987), pp. 317-36.

suggested that *amakudari* represents the “spoils” of the regulatory control and little else.<sup>46</sup>

Anecdotes about or even a systematic study of *amakudari* to only one segment of the private sector are misleading. When the different major paths are put together, an important imagery emerges. Although proximate, the overall composite model of the distribution of *amakudari* and change over time sensitizes us to its possible locational power. Our charting approach is particularly germane to revealing a holistic or systemic view of the phenomenon as an institutionalized network of personnel and an indication of interinstitutional cooperation. It points to *amakudari* as a form of influence overlooked by many analyses. The four types of networks suggest a logic of interdependence, hierarchy, and encirclement. First, *wataridori* is the explicit empirical recognition that some *amakudari* personnel move first to the public sector and later to the private sector. Second, although personnel do move to different sectors of the Japanese society, many originate from the same ministries. A few of them dominate some paths e.g., MOF, MITI, and Construction dominate private sector *amakudari*. These three ministries also dominate *wataridori*. The *yokosuberi* path is less concentrated than *amakudari* and *wataridori*, but MOF, MITI, and Agriculture still have the most placements. Finally, although *chii riyō* to cabinet positions is quite dispersed, MOF dominated the prime ministerships from 1960–80 and lower house LDP *chii riyō* members. These findings suggest a hierarchical pattern of *amakudari* networks embedded in the Japanese political economy as dominated by MOF, yet political office at the cabinet level and *yokosuberi* indicates substantial dispersion across the ministries. The interrelationships of these different paths of *amakudari* reflect a degree of elite cohesion and provide a basis for interinstitutional cooperation.

Given the locations of ex-bureaucrats throughout diverse sectors and political offices and the interrelationships of these sectors and offices, *amakudari* influence may derive from the fact that they “surround” the private sector or, more accurately, permeate Japanese society. The private sector is dependent on the bureaucracy for licensing, regulation, and policy implementation. It is dependent on the public sector for loans, subsidies, grants, and loans. The private sector is dependent on politicians for legislation facilitating and protecting their operations. That is, *amakudari* officials may operate with locational power in a way that might be illustrated metaphorically by contrasting the game of chess with the game of *go*. Such a comparison points to a different understanding about the potential for influence of *amakudari* networks. In chess, each piece moves aggressively to capture and replace the oppo-

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46. Richardson, *Japanese Democracy*, p. 114; Calder, “Elites in an Equalizing Role,” p. 383; and Nakano, “Becoming a ‘Policy’ Ministry,” p. 103.

ment's piece on a certain location on the board. The objective of the game is to take the opponents pieces until one captures the king. *Go* is an Asian form of chess with an entirely different logic. In *go*, the pieces on the board move with the objective not of capturing or replacing the opponent's pieces but of surrounding the opponent so that opponent's moves or choices are increasingly limited.<sup>47</sup>

In *go*, a board consists of a grid of 19 x 19 lines on which black and white pieces are placed at intersections. The number of pieces or "stones" is 361 and equals the number of intersections. The two players alternate and place one stone at each turn. The stones cannot be removed after they have been placed on the board (unlike chess), but they must be removed if the opponent succeeds in encircling them. The goals are to eliminate as many of the opponent's stones as possible and control territory on the board, which are two interrelated tasks. Smaller numbers can be effective if deployed strategically. It is generally understood that the skillful player slowly works from the edge of the board toward its center, gradually circling and counter-circling the stones of the opponent. Head-on battles and direct strategic moves, which are popular in Western military doctrine, athletic events, corporate strategy, and games like chess are alien to the logic of *go*. The preferred type of attack is indirect, non-linear, and discontinuous. Beginners often concentrate their stones toward the center of the board and immediately pounce on the opponent when they attack, only to be easily defeated by the experienced player.

One of the fascinating features of the *go* analogy is its application to locational social influence in the Japanese context. The game reminds us that a group with similar policy orientations whose members sit on the boards of almost 30% of list private firms, 67% of the largest 100 private firms, occupied 40%–50% of board positions in powerful public corporations, and accounted for 20% of lower house LDP seats and 20% of cabinet positions provides an argument for locational influence. The presence of ex-bureaucrats on these boards and in these offices provides a basis for shaping expectations and limitations on policy choices. By surrounding actors in the private sector, there need be no direct confrontation over policy or even promotion. With former bureaucrats as company directors, the monitoring of the private sector by the ministries concerned, the existence of public corporation services, and through political representation, the ministries have a basis for both influencing the degree of freedom and constraining the range of choices in the crafting of corporate policies. Thus, *amakudari* in its entirety contributes to the construction of a framework of expectations and choices.

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47. Dan Rosen and Chikako Usui, "The Social Structure of Japanese Intellectual Property Law," *UCLA Pacific Basin Law Journal* 13:1 (Fall 1994), pp. 32–69.

## Conclusion

The resilience of *amakudari* networks has a foundation in a more holistic analysis of the major paths of *amakudari*. The increasing penetration of *amakudari* among the largest 100 private corporations is placed in a larger context of dependent relationships with the bureaucracy, public sector, and politics. We show that almost half of the directors on the *tokushu hojin* are ex-bureaucrats. Further almost 20% of the LDP lower house Diet members are *chii riyo*, along with at least 20% of the cabinet members. These percentages do not include the myriad positions on political committees, industry associations, and local government offices that are occupied by ex-bureaucrats. These results contrast with those who examine *amakudari* in the narrow frame of only private sector placements or examine different paths separately. When we add together these percentages of ex-bureaucrats distributed throughout diverse sectors and political offices, we begin to recognize potential effects for interinstitutional cooperation based on the *amakudari* phenomenon.

The concept of *amakudari* networks as setting up interinstitutional cooperation is complex, layered, and nuanced. Our analysis indicates that a hierarchy of ministries within the networks of *amakudari* is present, but not singularly, such as MOF or MITI. Rather, it is a combination of MOF, Construction, and MITI that appears to pervade the private sector, particularly through an ability to keep their people in the field as indicated with *wataridori*. However, in the public sector and among political offices there is much more dispersion among the ministries, with no one ministry or small set of ministries really able to claim dominance. MOF and other central ministries have experienced a decline in *chii riyo* with only one prime minister obtaining office since 1980 and fewer cabinet posts. Our data thus support those studies arguing for a decline in ministerial influence in politics and the rise of more independent politicians, although our timing is somewhat different than what is found in many of these analyses.

Our argument for resilience of *amakudari* is based holistically on a view of its networks of distribution. Interpreting the evidence for this dispersal is closely tied to one's definition of social power and its application. Many scholars define social power by measures of "who participates, who gains or loses, and who prevails in decisionmaking."<sup>48</sup> Within this definition, *amakudari* must demonstrate a behavioral effect, for example, a situation where *amakudari* placements had been forced on a private firm, over its active resistance. Although anecdotal evidence does exist for this type of coercive behavior, demonstrating the influence and resilience of *amakudari* may

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48. Nelson Polsby, *Community Power and Political Theory* (New Haven, Conn.: Yale University Press, 1963), p. 55.

perhaps be better understood outside the parameters of conflict, that is, in its absence. It is an axiomatic principle that elites avoid conflict. As Lie says: "[T]here is little doubt that the Japanese elite, like most national elites, seek to avoid open conflict in favor of achieving tacit consensus and hegemony."<sup>49</sup>

Revealing *amakudari* as networks of elites distributed throughout different sectors of Japanese society is not necessarily a study of bureaucratic domination of politicians or big business. Rather, *amakudari* can be seen as an institutionalized element of an elite power structure whose influence extends not over other elites but over Japanese society. In this regard, the American tradition of studies in elite power structures offers insight. C. Wright Mills argued that a complex network of social relations maintains elites in their top positions in key institutions of society. Hierarchy is not so much predicated on whether a bureaucracy dominates business or politicians, or one set of elites over others but rather that the domination component of elite policy networks subordinates electoral politics and subgroups (masses) to the cohesive alliance of the different institutional elites.<sup>50</sup> To paraphrase Domhoff and Dye, a "power structure" is a network of roles and organizations within a society that is responsible for maintaining the general social structure and shaping new policy initiatives.<sup>51</sup> *Amakudari* represents the role positions at the top of Japan's public and private sectors as well as political offices. Its "power elite" is the set of ex-bureaucrats who are individual actors within the power structure. Years ago, Lockwood implied that the elites in bureaucracy, politics, and business rule not so much through domination as through a cohesive homogeneity. The cohesion is based on loosely united elite networks with common educational backgrounds and a general consensus on national goals.<sup>52</sup> This notion of cohesive homogeneity maintained a level of currency from Lockwood's time to the present.

The case against the idea of a power structure and an iron triangle posits that the construct is too simplistic or never existed. Our argument on the other hand similarly proposes that wholesale dismissal of the idea of a power structure is itself an exaggeration. Reasoned empirical examination substantiates the presence of *amakudari* as an embedded mechanism of elite influence in Japanese society. While evidence for direct cause and effect of *amakudari* actions in politics and society may be circumstantial, the notion of

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49. John Lie, "Sociology of Contemporary Japan," *Current Sociology* 44:1 (Winter 1996), p. 29.

50. Robert Alford and R. Friedland, *Powers of Theory: Capitalism, the State, and Democracy* (Cambridge: Cambridge University Press, 1985), p. 199.

51. G. William Domhoff and Thomas Dye, *Power Elite and Organizations* (Beverly Hills, Calif.: Sage, 1987), p. 9.

52. Lockwood, "Japan's New Capitalism," p. 503.

a power structure operating in society should not be viewed as trivial or deterministic. As Domhoff and Dye remind us: "The concept of a power elite does not imply that all aspects of a social system are controlled by a very few, or that large scale changes in a society can be created or stopped even by the most organized and self-conscious power elite. . . . [T]he power elite sitting on top [of] the major institutional hierarchies . . . merely participate in those decisions of national consequence that are made; they do not control history."<sup>53</sup>

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53. Dornhoff and Dye, *Power Elite and Organizations*, p. 9.