

*AMAKUDARI: THE POST-RETIREMENT EMPLOYMENT OF  
ELITE BUREAUCRATS IN JAPAN*

*BY*

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This paper analyzes the *amakudari* practice in Japan. Amakudari refers to situations where government agencies contact the private firms that they regulate, asking them to provide employment for their retiring elite bureaucrats. Upon employment at the private firms, bureaucrats may collude with their former employers to secure lucrative government contracts, avoid regulatory inspections, or obtain preferential treatment. This paper provides an explicit formalization of the implicit collusion between the regulator and the regulated. (JEL D02, D44, D73)

KEYWORDS: Amakudari, corruption, optimal auction, mechanism design

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