

## ABHANDLUNGEN / ARTICLES

### **Is the Japanese Bureaucracy Hollowing Out ? Evidence from the Market for Legal Talent**

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#### ABSTRACT

In this Article, we present data on legal elites in Japan – legally trained university graduates poised to pursue successful careers either as fast-track bureaucrats or lawyers handling sophisticated business transactions. The data show a marked shift in employment patterns over the past decade: increasingly, Japan’s most elite university graduates are forsaking the bureaucracy for law.

We find that changes in Japan’s underlying economic, political, and legal institutions are a primary cause of this shift. We argue that this trend is not a temporary phenomenon, but reflects a more fundamental transfer of authority in Japan from the bureaucracy to the legal system. The evidence sheds new light on two longstanding debates: the bureaucracy’s role in the governance of the Japanese economy, and the impact of law and lawyers on economic success.

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