

Chapter 8. Employment in Profit-making Enterprises

Article 103 of the National Public Service Act stipulates that a public employee must not gain employment, without the approval of the NPA, within a period of two years after leaving the national public service in any profit-making enterprise that has close relationship with the government organization to which the employee belonged during a period of five years prior to his/her retirement. A public employee also must not, without the approval of the NPA, concurrently hold a position as an executive in a profit-making enterprise or operate a profit-making enterprise on his/her own account.

The system of restrictions on gaining employment in profit-making enterprises after leaving the national public service is designed to prevent employees from forming special or private connections with particular profit-making enterprises by abusing their official position or authority to gain employment after retirement, and to ensure the proper management of public administration.

The NPA has approval authority only when a national public employee takes an executive position and when personnel at the rank of Director/Office Head or above at the headquarters of the Cabinet Office or Ministry gains employment in a profit-making enterprise. In other cases, the NPA has delegated approval authority to the heads of responsible authorities of the Cabinet Office or Ministry to which the employee belonged.

In 2006, the NPA approved 70 cases, of which 15 were employments through the “Fair and Best Use of the Human Resources System.” (Table 8-1)

Of employees approved by the NPA, 18 were personnel at the rank of Director or above at the headquarters of the Cabinet Office or a Ministry and heads of regional bureaus while 23 were employed as executives of profit-making enterprises.

The NPA is actively conducting PR activities, etc., to concerned organizations through business groups, etc., to promote utilization of the “Fair and Best Use of the Human Resources System.”

The number of employments approved by the Cabinet Office, Ministries, etc., was 611. (Table 8-2)

Based on Article 103, Paragraph 9 of the National Public Service Act, the NPA reported approvals to the Diet and the Cabinet on March 28, 2007.

**[Table 8-1] Number of Profit-making Enterprises Employment Cases Approved by the NPA
(2002-2006)**

(Unit: case)

Year	2002	2003	2004	2005	2006
Office, Ministry, etc.					
Board of Audit			2	1	
National Personnel Authority			1		
Cabinet Secretariat					1
Cabinet Office		1	1	4	1
Fair Trade Commission	2				
National Police Agency	1	3	1		
Financial Services Agency		1 (1)	1		
Ministry of Internal Affairs and Communications	1	4	3		2
Ministry of Justice	2	3		1	
Ministry of Foreign Affairs					1
Ministry of Finance	10 (1)	13 (5)	19 (8)	23 (13)	24 (14)
National Tax Agency	6	9	9	7	8
Ministry of Education, Culture, Sports, Science and Technology	6	5 (1)	6		
Ministry of Health, Labour and Welfare	3	6 (1)	4 (1)	2	2
Social Insurance Agency				1	
Ministry of Agriculture, Forestry and Fisheries		2	6	1	2
Forestry Agency		1	1	1	1
Ministry of Economy, Trade and Industry	11	11	13	6	10 (1)
Agency for Natural Resources and Energy	1	2			1
Japan Patent Office	1	3		2	1
Ministry of Land, Infrastructure and Transport	9 (1)	9 (1)	14 (1)	10 (1)	7
Japan Meteorological Agency	2 (2)		1		1
Japan Coast Guard	3	3	2	3	3
Ministry of the Environment			3	1	1
National Science Museum				1	
National Hospital Organization					1
National Institute of Agrobiological Sciences			1		
National Institute for Agro-Environmental Sciences			1		
Forestry and Forest Products Research Institute					1
Civil Aviation College		1			
Japan Post	1	1		2	2
Total	59 (4)	78 (9)	89 (10)	66 (14)	70 (15)

Note) The figures in the parentheses represent the number of employments through the "Fair and Best Use of Human Resources System."

[Table 8-2] Number of Profit-making Enterprises Employment Cases proved by each Office and Ministry (2002-2006)

(Unit: case)

Office, Ministry, etc.	Year	2002	2003	2004	2005	2005
Board of Audit			1	1	2	4
Cabinet Secretariat						13
Cabinet Office		1	2	2	1	
Imperial Household Agency		1				
Fair Trade Commission			1			1
National Police Agency				1		
Financial Services Agency		2	7	3	10	23
Ministry of Internal Affairs and Communications		4	1	3	7	12
Ministry of Justice		4	1	1	2	3
Ministry of Foreign Affairs			1		2	
Ministry of Finance		46	51	34	41	53
National Tax Agency		22	28	21	24	31
Ministry of Education, Culture, Sports, Science and Technology		76	75	81	65	3
Ministry of Health, Labour and Welfare		13	12	8	6	17
Ministry of Agriculture, Forestry and Fisheries		26	17	19	11	9
Forestry Agency		7	8	7	5	9
Fisheries Agency					1	
Ministry of Economy, Trade and Industry		12	7	6	8	9
Agency for Natural Resources and Energy		2		1	2	7
Japan Patent Office				1	1	2
Small and Medium Enterprise Agency				2		
Ministry of Land, Infrastructure and Transport		345	345	322	358	311
Japan Meteorological Agency			1	1		
Japan Coast Guard		5	4	5	2	7
Ministry of the Environment			1		1	
National Research Institute of Brewing					1	
National Institute for Materials Science			2			
National Aerospace Laboratory			1			
National Institute of Radiological Sciences				2		
National Institute of Industrial Safety				1		
National Hospital Organization					5	7
Center for Food Quality, Labeling and Consumer Services			1		1	
National Agriculture and Bio-oriented Research Organization		2	3	3	6	
National Institute of Agrobiological Sciences			1			
National Institute for Agro-Environmental Sciences		1			1	
National Food Research Institute		1				
National Institute of Advanced Industrial Science and Technology		7	4	1	5	
National Institute of Technology and Evaluation		1				
Public Works Research Institute		1	1	2	2	
Port and Airport Research Institute			1			
Civil Aviation College				2		
Japan Post		146	154	100	78	90
Total		725	731	630	648	611