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The faltering political truce

Key takeaways

- As the sense of “national crisis” over trade friction has waned, the limited truce with the opposition has faltered, and now opposition parties are attacking Prime Minister Ishiba Shigeru for his “do nothing” government.
- With just over a month left in the Diet session and two months until upper house elections, opposition parties are pressing the prime minister on pension reform, taxes, and inflation.

When Prime Minister Ishiba Shigeru said that Japan faced a “national crisis” following the imposition by the Trump administration of 25% tariffs on automobiles and 24% on other imports from Japan – thereafter suspended for ninety days – it appeared as if he had convinced opposition parties to suspend political conflict in the name of national unity. While opposition lawmakers would continue to scrutinize the government’s handling of trade negotiations with the United States, they would refrain from more aggressive attacks on Ishiba and his government, abandoning, for example, attacks on Ishiba for his legally questionable gifts to first-term Liberal Democratic Party (LDP) lawmakers.

With just over two months until the upper house elections, however, the limited and informal [truce](#) between the government and opposition parties is breaking down. It may have been inevitable – the prospect of an approaching election meant that the opposition would eventually begin looking for ways to pressure the government – but Ishiba’s own actions have hastened the end of the truce and the decision by opposition parties, particularly the Constitutional Democratic Party (CDP), to step up their attacks. First, Ishiba and the LDP have invited conflict with the opposition through their handling of a pension reform bill, aimed at bolstering the pension system so that the so-called “employment ice age” generation – workers now in their fifties who graduated in the

worst years of the “lost decades” and struggled to find regular employment – will be sufficiently covered by the system. While Ishiba said he wanted to tackle this issue during the current Diet session, the LDP was reluctant; the party’s internal deliberations dragged so that the LDP only approved a bill on 13 May, clearing the way for the cabinet to approve the proposal and submit it to the Diet on 16 May.

The government has provoked the opposition on this issue not only by delaying the legislation so that there is only just over a month to consider the proposal but also by failing to address the more structural shortfall in the basic pension system. The government’s proposal sidesteps this issue. Instead of transferring reserves from the employees’ pension system – the second tier for regular workers that supplements the basic pension – to the basic pension system, the government’s bill proposes some modest changes to make it easier for part-time workers to pay into the employees’ pension. This is a problem not only because the government cannot pass this bill without the cooperation of one or more opposition parties but also because CDP leader Noda Yoshihiko has suggested that the government’s handling of this issue in particular could lead him to entertain a no-confidence motion.

Meanwhile, the debate over whether to cut the consumption tax – which originally began as part of the discussion of how to respond to US tariffs on Japanese exports – has [become](#) the central political question in its own right. Essentially, what began as a debate over how best to insulate Japan from trade friction has become a crucial plank in an argument made by the opposition – and some of Ishiba’s critics in the LDP, who fret that the government has left LDP candidates with little to run on in July – that his is a “do nothing” government, characterized by inaction not only on consumption taxes, but also pension reform and cost-of-living increases, particularly rice and energy prices. While Ishiba and senior LDP leaders have emphasized that the government and LDP are “responsible,” vulnerable LDP incumbents are signaling their unease with the party’s approach ahead of the upper house elections.

In this sense, the [lack of progress](#) in trade talks with the United States – while not necessarily a liability for Ishiba, to the extent that it reflects his unwillingness to compromise on core interests and accept a one-sided agreement – has undermined the prime minister’s position by weakening the sense of crisis that prevailed in the early days after “Liberation Day,” creating more space for the opposition to go on the offensive on other issues. It is therefore understandable that recent reporting suggests that Ishiba may be hoping for a trade deal with the United States just before the upper house campaign begin, so to give the prime minister an achievement to take to voters.