

13 March 2026

Takaichi's budget blitz moves to the upper house

Key takeaways

- The House of Representatives passed the Takaichi government's budget on 13 March.
- Opposition parties, angered by the government's disregard for parliamentary norms, will try to delay the budget in the upper house, where the government lacks a majority.
- The lower house's passage means the budget will take effect regardless; opposition parties will be fighting to deal a symbolic blow to the prime minister.

The Liberal Democratic Party (LDP) and Ishin no Kai successfully met Prime Minister Takaichi Sanae's goal of passing the FY2026 budget by Friday, 13 March, considered the last possible date for moving the budget out of the lower house while still leaving time for the upper house to pass it before the end of the fiscal year on 31 March.

However, as noted [earlier](#), the government's heavy-handed approach to passing the budget risks backlash from opposition parties in the upper house, where they not only have more seats than the ruling parties but also control several committees that will review budget-related bills that also have to pass before the new fiscal year begins. The most significant casualty of the Takaichi government's victory in passing the budget Friday could be its relationship with the opposition Democratic Party for the People (DPFP), which has generally taken a constructive approach to policy cooperation with the LDP but which responded bitterly to the 13 March vote after the government rejected the DPFP's offer to support the budget in exchange for a lower house vote on 16 March.

The Takaichi government now faces a heated contest in the House of Councillors. It was able to secure an agreement with the Constitutional Democratic Party (CDP), still

the largest opposition party in the upper house, to start budget deliberations on Monday, which will enable the budget committee to conduct three days of general deliberations (which requires the prime minister's attendance) before Takaichi departs for her 19 March summit with US President Donald Trump. However, the ruling and opposition parties will have to resolve the question of how much time will be allotted to debate. Customarily, the upper house has spent less time than the lower house – usually 70% to 80% of the lower house's total – but with the lower house spending only 59 hours deliberating (the shortest time under current procedures dating back to 2000), opposition parties are demanding at least sixty hours of debate. Of course, regardless of how much time is allotted, the government still needs to find additional votes to ensure that the budget can pass. By not ordering the preparation of a provisional budget – which would fill the gap from 1 April until the passage of a general budget – Takaichi is gambling that she can manage the upper house and secure passage by 31 March. But any delay, whether related to the summit, her health (she canceled some engagements Thursday, ostensibly due to a cold, though she was back to work Friday), could mean that the government has to scramble to draft a provisional budget to cover the gap.

At this point, the stakes of the upper house budget debate are mainly political. As the constitution mandates, the lower house has fiscal primacy; the budget passed by the lower house will automatically take effect on 11 April even if the upper house does not vote. Assuming that the upper house acts on the debt issuance bill – also passed by the lower house Friday and which must be passed by the new fiscal year – the direct market implications of the legislative friction will be limited (and precisely for this reason opposition parties may be wary of holding up on the bond bill). Nevertheless, if the opposition parties are able to delay the upper house's vote until April, it would be a blow to Takaichi, not least because it would encourage more vocal dissent from within the LDP. Many LDP lawmakers warned of the risks of moving too quickly to pass the budget after the delay caused by the general election, but they were pressured into silence by the prime minister's post-election strength. Those voices will likely be louder in warning of the dangers of Takaichi's tendencies to not take advice from others and disregard parliamentary norms. It could also further the slide in her approval ratings. Finally, the bitterness between the ruling and opposition parties following the budget blitz in the lower house could weigh on the legislative process as the government begins pursuing its agenda, starting with an intelligence reform bill approved by the cabinet Friday. Her parliamentary victory Friday could ultimately come at a steep price for her authority.

Tobias Harris

Founder and Principal

Japan Foresight LLC

tobias@japanforesight.com

+1.847.738.4048
