



By: Tomorrow's Affairs Staff

Is Japan entering an era of anti-immigrant policies?



Japan is facing perhaps the most delicate political moment of the last ten years. While Prime Minister Shigeru Ishiba is trying to stabilise the economy and avoid trade shocks from the United States, domestically he is facing a rise in the anti-immigrant movement, which threatens to change the country's political dynamics.

The Sanseito Party, under its "Japanese First" **banner**, which has its roots in anti-vaxxer and populist online communities during the pandemic years, has seen a significant surge in support in recent months.

A survey by Japanese research agency Nippon Research found that the party's approval rating in Tokyo and Osaka has risen to 12 per cent, up from 4 per cent in May.

Most of the new support comes from young men between the ages of 25 and 40, economically more unstable groups where rhetoric about preserving national identity has particular appeal.

Party leader Sohei Kamiya **speaks** openly about the "silent invasion by foreigners" and the need to "preserve Japanese identity."

This kind of discourse has had no place in the political mainstream in Japan, a country that has traditionally kept the number of foreigners at around three per cent of the total population, one of the lowest rates in the developed world.

Nevertheless, the fears skilfully stoked by "Japanese First" are becoming a central **issue** in the election campaign ahead of Japan's upper house **election** on 20 July.

Ishiba pushes balanced approach

Prime Minister Ishiba, leader of the Liberal Democratic Party, is aware that Japan cannot maintain its economic vitality in the long term without importing labour.

The average age of the Japanese population is over 48, and the working-age population is shrinking by around 500,000 people a year.

Ishiba is therefore pushing for a balanced approach. "Japan will continue to control the scope of immigration but must remain open to skilled labour, especially in the healthcare and technology sectors," he said at a conference in Nagoya.

However, under public pressure and due to the rise of "Japanese First", the government has stepped up its control rhetoric in the last two weeks.

It announced the establishment of a special agency to monitor visa abuse and tighten controls on money transfers from Japan to countries where most workers come from.

According to announcements by the National Police Agency, additional controls will also be **introduced** for foreign nationals applying for a driving licence.

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The domestic political pressure comes at a time when Japan is trying to avoid a major trade policy blow from Washington.

US President Donald Trump and his trade representative Scott Bessent have repeatedly stated since early July that they will impose **tariffs** of 25 per cent on Japanese cars, electronics, and parts from 1 August unless a bilateral deal is reached that increases Japanese investment in the US and reduces Tokyo's trade surplus.

Prime Minister Ishiba and Bessent will **meet** in Tokyo on 19 July to try to agree on a final framework before Trump's ultimatum expires.

At the same time, the European Union is taking advantage of this tense situation in Japan to offer closer cooperation within the framework

of the initiative for the joint development of battery and semiconductor technologies and thus form an economic counterweight to Chinese and American pressure.

The President of the European Commission, Ursula von der Leyen, will arrive in Tokyo later this month to sign a memorandum with Ishiba on the exchange of industrial licences and the standardisation of digital networks.

Japan in a triangle of pressure

If "Japanese First" achieves a result in the range of 10 to 15 seats in the upper house, as the Mainichi Institute's projections show, Ishiba will lose his comfortable majority. He would then be forced to seek the support of the conservative minority parties, which would almost certainly mean a further tightening of migration policy.

This, in turn, could weaken the confidence of foreign investors in the long-term predictability of the Japanese labour market and further weaken the yen, which is already under pressure due to the Bank of Japan's multi-year, ultra-loose **policy**.

The **bond** markets are also unsettled. Investors are already demanding a premium on 10-year Japanese government **bonds**, the **highest** since 2012, while the yen briefly fell to 163 against the dollar at the end of last week.

The rise of the "Japanese First" in these circumstances is a signal of political risk that feeds directly into global funds' calculations for positioning in Japanese securities.



Japan finds itself in a triangle of pressure between the US, China, and the EU - PM Ishiba with Donald Trump

In addition, the Japanese political scene has always been stable but not immune to sudden changes when public opinion shifts on issues of identity.

The rise of "Japanese First", regardless of whether it remains in double digits or later collapses, suggests that the issue of migration has finally entered the mainstream.

In this respect, it is expected that Ishiba and opposition parties, such as the Constitutional Democratic Party, will have to adapt their policies and discourse in the coming years to respond to voters' new fears.

On the other hand, Japan finds itself in a triangle of pressure between the US, China, and the EU. The weakening of the Ishiba government and the strengthening of the anti-immigrant movement make Tokyo vulnerable in negotiations.

The Trump administration has shown that it is willing to use economic issues as leverage for strategic concessions, and a weaker Japanese cabinet would be easier to blackmail.

The EU is likely to continue to capitalise on this situation by offering partnerships that circumvent difficult trade terms but which, in the long term, could tie Japan into even closer dependence on European industrial chains.

In mid-July 2025, Japan enters a pre-election silence while its national currency weakens, while it is pressured by US tariff threats, and while its society debates an issue that until a

few years ago was barely discussed in public.

The outcome of the upper house election on 20 July will provide the first answers to the question of how deep anti-immigrant sentiment runs in the country and what impact it will have on Japan's strategic and economic priorities.

Regardless of the results, Japan's political horizon has changed, which will impact both Asia and the global economic order in the coming months.