

# Brunei 2013



**Total: 49.82**

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## Political Freedom

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### **Free and Fair Elections : 1.07**

Brunei is not an electoral democracy nor is it a constitutional monarchy. Sultan Hassanal Bolkiah Mu'izzaddin Waddaulah has ruled with absolute power since 1967. A state of emergency declared in 1962, after Sultan Omar Ali Saifuddin nullified the last legislative elections, has never been lifted. No elections have taken place since. Citizens can, however, voice complaints through government-vetted councils of elected village chiefs. The National Development Party (NDP) remains the only legal party after the last opposition parties were dissolved in 2007 and 2008 respectively.

A mostly appointed 29-member legislative council ended its five year term in 2011, and was then replaced with a newly appointed and expanded council comprising 33 members. In 2010 a significant reshuffle of the Cabinet of Ministers took place (including the first woman in ministerial position). Additionally the legislative council's oversight activities and queries towards the government have increased in recent years.

Political activism remains limited, mostly due to restrictions on forming interest organisations. Demands for political reform remain low because the country's rich oil and gas resources allow the government to sustain high employment and low tax rates for Bruneians.

### **Absence of Unconstitutional Veto Players : 2.5**

There are no unconstitutional veto players in Brunei. The Sultan governs the country with absolute power under a still upright state of emergency. There aren't any opposition forces in the political landscape. Therefore, Brunei effectively lacks any sort of constitutionally backed political players in a democratic sense, hence the low score in this category.

### **Freedom of Press : 2.5**

Journalists face significant restrictions in Brunei. The emergency laws in force and other legal provisions such as the 2005 Sedition Act contain punishments of up to three years for reporting "false or malicious" news. This includes criticism of the Sultan or the royal family (which controls a considerable number of press outlets, either directly or through business partners), and criticism regarding the national Malay Islamic Monarchy ideology, which promotes Islam and monarchic rule. Newspapers have to apply for annual licenses which can be refused without any

reason. Journalists therefore tend to practise self-censorship.

Similar laws are in place under the Internet Code of Practice, punishing any offense against the public interest or national harmony or which offend against good taste or decency. In 2012 roughly 60% of the population had access to the internet, leading the government to increased efforts to restrict access to certain websites. Internet cafes have been encouraged to install firewalls blocking immoral content. According to a report by the U.S. State Department, the government also monitors private emails and chat rooms.

## Rule of Law

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### **Independence of the Judiciary : 6.77**

Brunei's constitution does not provide for judicial independence but in general courts seem to act independently without being subject to government influence. An arrangement with the United Kingdom provides for the appointment of United Kingdom judges as the judges for Brunei's High Court and Court of Appeal. In civil cases final appeal can be made to the Judicial Committee of the Privy Council in London.

### **Corruption : 5.5**

The punishments for corruption in Brunei are well championed internally and throughout ASEAN. In 2011 and 2012 Transparency International's Corruption Perception Index ranked Brunei the second least corrupt country in ASEAN, behind Singapore. Despite this record and the public prosecution of some low ranking officials, corruption remains a problem in the top echelons of government. The intrinsic link between absolute monarchy and business interests negates the legitimacy of the anti-corruption bodies which do not have the mandate to investigate and prosecute at the highest levels of government.

### **Protection of Human Rights : 4.41**

There are some exemplary human rights protections in Brunei, although the overall level is down by 20% from 2010 standards according to Maplecroft. Child labour, extrajudicial killings and disappearances are virtually non-existent and security forces generally respect human rights. Though Brunei should be commended for its record on the above indicators, others are well below average. Despite not having executed anyone since 1957, the death penalty remains mandatory for many crimes. Brunei's levels of freedom of thought and freedom of opinion and expression are among the lowest in Asia.

People are allowed to speak their opinions freely but are prohibited from saying anything irresponsible, derogatory, scandalous, or injurious. Under the Sedition Act it is an offence to criticize or challenge the authority of the Monarchy. The inability to question the prominence of the national philosophy of the Malay and Islamic traditions is a major barrier to religious freedom. Under emergency powers citizens do not have freedom of assembly and the government requires permits of groups greater than ten people.

# Economic Freedom

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## Security of Property Rights : 6.55

Physical property rights are fairly well protected. The 2013 International Property Rights Index ranks Brunei 53rd out of 131 evaluated countries. The index reported a significant improvement of the legal and political environment indicator during the past five years.

But intellectual property rights remain a cause for concern. Brunei was recently removed from the United States Trade Representative's watch list, mainly due to the government's push to establish a patents registry office. But still pirated goods such as CDs and DVDs are readily available.

## Size of Government: Expenditures, Taxes, and Enterprises : 5

Government expenditures (including consumption and transfer payments) are at 17.3% of GDP. The top corporate tax rate is at 30%. New businesses that meet certain criteria can receive pioneer status which means that they can exempt profits from tax for five years. Bruneians do not pay income tax.

## Regulation of Credit, Labour, and Business : 7.79

The freedom to start, run, and close a business are fairly well regulated. It takes 15 procedures and 101 days to start a business. A business license can be obtained in 22 procedures, taking about 95 days. The World Bank's 2013 Doing Business report ranks Brunei 79th out of 185 evaluated countries.

Labour regulations are flexible. Brunei compensates for the shortage of local labour by making it easy for companies to hire foreign workers. Regulations regarding work hours are flexible. Dismissing an employee is a straight forward process.

## Freedom to Trade Internationally : 7.73

Brunei's weighted average tariff rate was 4.1% in 2010 (the latest World Bank data available). Crude oil and natural gas contribute to about 90% of the country's exports (and to more than 50% of GDP). Brunei seeks to liberalise trade further and has announced that all tariff barriers with ASEAN countries will be removed by 2015. The country played a leading role in the facilitation of the ASEAN-Australia-New Zealand Free Trade Agreement which entered into force on January 1st 2010.