FREEDOM BAROMETER

Brunei 2014

Total: 50.97

Political Freedom

Free and Fair Elections : 1.07

Brunei is neither an electoral democracy nor a constitutional monarchy. Since 1967, it is continuously ruled by hereditary Sultan Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah. The sultan is both Head of State and Prime Minister and also the Leader of the Islamic faith. The sultan, his family members and appointees control all state organs. The unicameral, mostly appointed 33-member Legislative Council serves as advisory board to the sultan. In 2010, a significant reshuffle of the Cabinet of Ministers took place (including the first woman in a ministerial position). Additionally the legislative council's oversight activities and queries towards the government have increased in recent years.

The state of emergency which was imposed in 1962, after Sultan Omar Ali Saifuddien had 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 or submit concerns directly to the respective ministers. Candidates running for village chiefs have to fulfill a strict set of criteria. The National Development Party (NDP) remains the only legal party after the last opposition parties were dissolved in 2007 and 2008 respectively.

Political activism remains limited, mostly due to restrictions on forming interest organisations. Demands for political reform remain are 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 continuing 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, especially with regard to religious and political matters. The internet including social media can be used widely unrestricted and Brunei has one of Asia’s highest internet penetration rates.

In early 2014, Brunei’s penal code was revised by the sultan. Among others, the code criminalises printing, disseminating, importing, broadcasting, and distributing publications “contrary to Hukum Syara”, which literally translates as “contrary to the order of Shariah”. The provisions apply to members of all religions. Failures to comply can result in severe punishments. The announcement of the revised code has led to a rare wave of online criticism among social media users in Brunei. In response, the sultan warned his citizens of negative consequences and to summon critics to court.

Rule of Law

Independence of the Judiciary : 6.73

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 : 6

The punishments for corruption in Brunei are well championed internally and throughout ASEAN. In 2013 Transparency International’s Corruption Perception Index ranked Brunei 38th out of 177 surveyed countries, making it one of the least corrupt countries in ASEAN. 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 : 4.42

Brunei's human rights record is mixed. 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. In May 2014 Shariah law was officially introduced in Brunei's criminal law and will be gradually implemented during the coming three years. Offences such as homosexuality or extra-marital sex will be punishable by death by stoning.

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 criticise 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

Security of Property Rights : 6.6

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 removed from the United States Trade Representative's watch list, mainly due to the government's push to establish a patents registry office. But pirated goods such as CDs and DVDs are still 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 : 8.5

To start, run, and close a business is 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. Access to credit has been improved by the establishment of a public credit registry. The World

Bank’s 2014 Doing Business report ranks Brunei 59th out of 189 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 : 7.65

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). 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.

With the ASEAN Economic Community (AEC) a single regional market of more than 600 million people will be created by the end of 2015. The AEC will provide for a free flow of goods, services, investment capital and skilled labour.