

# Japan 2012



Total: 77.76

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## Quick facts

Population:	127.37 million
Population growth:	-0.08 %
Unemployment rate:	4.6 %
GDP:	4497 billion \$
GDP growth rate:	-0.7 %
GDP per capita:	35200 \$

## Political Freedom

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### Free and Fair Elections : 9.64

Japan is a liberal democracy and as such holds regularly free and fair elections. The Prime Minister is the head of government and the Emperor serves as the ceremonial head of state. The legislative body, the House of Representatives, is elected every four years, while the second chamber, the House of Councillors, is elected every six years. Political participation is generally free and unrestricted, but the Liberal Democratic Party (LDP) had remained in power for almost 55 years until it was defeated in the 2009 elections by the Democratic Party of Japan.

Japan has a very strong civic culture with numerous civic, human rights, welfare and environmental organisations that can assemble freely and voice their opinions without restrictions. The same goes for the founding of parties and interest groups. Not only do all societal groups have the chance to express their demands, but they can also integrate them into the political process.

### Absence of Unconstitutional Veto Players : 8.33

In the political system of Japan, there are no unconstitutional veto players of significance. All potential veto powers such as the military or influential business groups are under civilian control. Powerful interest groups are completely integrated into the political process and adhere to the democratic institutions and mechanisms in influencing politics and policies. Therefore, there is no

potential threat to the stability and integrity of the government by external forces.

## **Freedom of Press : 7.8**

The press in Japan is generally free and unrestricted. Most print media and broadcasting stations are privately owned. Access to the internet is uninhibited. The only obstacle to freedom of the press in Japan is the *kisha kurabu*, or press clubs. To ensure news coverage is homogeneous, these clubs foster relations between politicians, bureaucrats and media representatives. In exchange for direct access to politicians and latest information, journalists tend to practice self-censorship so as not to lose their sources. This, in turn, leads to failures to hold politicians accountable, pressure them for transparency and question their decisions and policies.

However, it should be noted that during the 2011 nuclear meltdown at the Fukushima power plant in the wake of the earthquake and tsunami incident, excessive restrictions were put on news coverage.

## **Rule of Law**

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### **Independence of the Judiciary : 8.05**

Japanese courts are considered to be independent of government, administrative or legislative interference in their day-to-day business. The legal system is efficient and public trials generally fair.

### **Corruption : 8**

The "iron triangle" of the LDP, bureaucrats and big business is frequently said to be a breeding ground for corruption. Significant reform efforts have been launched to combat corruption stemming from the triangle, mostly by loosening ties between the government and big business. However, the problem of corruption remains. In March 2011, for example, Japan's Foreign Minister Seiji Maehara resigned after admitting he had accepted a political donation from a foreign national, which is a violation of campaign finance laws. Nevertheless, corruption rates in Japan are considered relatively low. In Transparency International's 2011 Corruption Perceptions Index, Japan was ranked 14th out of 183 countries.

### **Protection of Human Rights : 7.63**

In theory, human rights are well respected in Japan. The constitution guarantees freedoms of assembly and association, and a number of active human rights, social welfare and environmental groups exist in the country. Citizens of all faiths can also worship freely. There are no restrictions on academic freedom.

However, some aspects of human rights present causes for concern. For instance, Japan retains the death penalty and continues to impose it. In 2012, seven convicts were hanged (as of October). Although the Japanese Constitution prohibits unequal treatment based on race, creed, sex or other social statuses, descendants of feudal-era outcasts and the indigenous Ainu minority

continue to have difficulty gaining equal access to housing and employment opportunities. Meanwhile, women sometimes face discrimination in employment and sexual harassment on the job. But they hardly report incidents of abuses for fear of damaging family reputation and due to other social mores.

## Economic Freedom

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### **Security of Property Rights : 7.52**

Property, both real and intellectual, is well protected. However, obtaining patents and copyrights can be a tedious procedure. Contracts are generally highly respected.

### **Size of Government: Expenditures, Taxes, and Enterprises : 5.8**

Government spending (which includes consumption and transfer payments) has risen, now equalling about 42% of the GDP. It is likely to rise further due to an increase in social welfare payments for Japan's ageing population.

Overall tax revenue, representing 28.1% of the GDP, consists of a rather high income tax rate (40%), an average corporate tax rate (30%), value added tax and taxes on interest and real estate.

### **Regulation of Credit, Labour, and Business : 7.83**

Japan was ranked at the 20th place out of 183 countries surveyed in the World Bank's 2012 Doing Business report, reflecting prudent regulations regarding starting, running and closing a business in the country. It takes 23 days and 8 procedures to start a business, while obtaining a business license requires 14 procedures and 193 days. Bankruptcy proceedings are uncomplicated.

Labour regulations are comparably flexible. The non-salary cost of an employee is moderate and firing procedures are uncomplicated, but regulations regarding work hours are rigid. Meanwhile, lifetime employment guarantees hamper the development of a more flexible labour market.

### **Freedom to Trade Internationally : 7.16**

Japan's weighted average tariff rate stands at 1.6%. Potential obstacles to international trade include import/export bans and restrictions, opaque regulations, state trade of some goods and an inefficient customs administration.