

# Japan 2014



**Total: 77.14**

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## Quick facts

Population:	127.1 million
Population growth:	-0.13 %
Unemployment rate:	4.1 %
GDP:	4729 billion \$
GDP growth rate:	2 %
GDP per capita:	37100 \$

## Political Freedom

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### Free and Fair Elections : 9.64

Japan is a liberal, multi-party democracy with regular free and fair elections. The prime minister is the majority leader in the country's legislative body and head of government. The once powerful emperor with formerly far-reaching powers nowadays has a purely ceremonial role as head of state. Elections for parliament are held every four years for the lower chamber, the House of Representatives, and every six years for the upper chamber, the House of Councillors.

Elections are widely free; however, political analysts repeatedly criticise an unbalanced distribution of voter representation from rural and urban areas. Seats in the upper house are not represented according to population density, but to the number of prefectures. Hence, rural votes are proportionally overrepresented compared to the densely populated urban centres. The Supreme Court acknowledged the problems in voter disparity, yet little has been done to reform the system.

The last elections for the House of Councillors took place in July 2013. Half of its 242 members are renewed every three years in staggered elections. The 2013 election was the biggest election victory for Japanese president Shinzo Abe and his Liberal Democratic Party (LDP), which by the time of the polls had already gained control over the lower house. The LDP now has far-reaching powers with regard to Japan's legislation. Abe has promised to embark on comprehensive economic reforms and infrastructure investments. However; many neighbouring countries including China and South Korea fear the strengthened role of Abe's government specifically with regard to the ongoing territorial conflicts in the South China Sea.

## **Absence of Unconstitutional Veto Players : 8.33**

There are no obvious unconstitutional veto players in the Japanese political system. Potential veto powers such as the army are under civilian control. However, some ties between Japanese politics and organised crime syndicates, the Yakuza, allegedly exist.

## **Freedom of Press : 7.5**

Japan's ranking with regard to press freedom deteriorated compared to the years before. According to the constitution press freedom is guaranteed. In 2013, authorities imposed a ban on independent reporting of all topics linked to the 2011 nuclear disaster in Fukushima. Moreover, President Shinzo Abe plans to pass the so-called "secrecy law" that prohibits politicians and bureaucrats from leaking sensitive government information to journalists and the general public. But what exactly constitutes secret information is not sufficiently clarified. According to the draft law, both public servants who reveal information as well as journalists who report in such cases can be punished with up to ten years imprisonment. The law is widely criticised for undermining the right to public information, freedom of expression and a lack of government transparency.

The *kisha*, or reporter's, clubs which are members-only associations of press representatives, present somewhat of an obstacle to press freedom. In Japan's strongly consensus-orientated society, they aim to ensure homogeneous news coverage by fostering relationships between politicians, bureaucrats and media representatives. Non-members of the clubs are excluded from receiving information.

## **Rule of Law**

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### **Independence of the Judiciary : 8.27**

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. Out-of-court settlements are often reached because they tend to save time and money; but

they sometimes lack transparency and fairness.

## **Corruption : 7.4**

Corruption in Japan remains relatively low. There have been moves by the government to stamp out remnants of corruption in government, high ranking bureaucracy and business. Japan has signed up to the Organization for Economic Co-operation and Development's (OECD) Anti-Bribery Convention (2011) which binds signatories to criminalising the bribery of foreign public officials. This is the first anti-corruption mechanism to focus on the supply-side of the bribery transaction. There are still questions surrounding the enforcement of these anti-bribery laws, as Japan is not actively investigating foreign bribery cases.

## **Protection of Human Rights : 7.82**

Domestically Japan has a strong record on human rights issues, with high levels of freedom of speech, active NGOs and human rights defenders. Freedom of assembly and association are constitutionally guaranteed, and numerous human rights, social welfare and environmental groups exist. Japan however, still retains the death penalty and continues to use it. The public discussion of the death penalty was rekindled in March 2014 when Iwao Hakamada, a prisoner awaiting execution for murder, was set free. A court found that evidence against him most likely was falsified and ordered a retrial. He had spent 45 years on death row. Another area which Japan continues to struggle in is racial and ethnic inequality. Ethnic minorities and Japanese Koreans continue to face covert and overt forms of discrimination. This stems from Japanese notions of citizenship and as Japan's cultural hegemonic image is at odds with its plural reality, minorities have suffered from discrimination and insufficient minority protection.

## **Economic Freedom**

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### **Security of Property Rights : 7.47**

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

### **Size of Government: Expenditures, Taxes, and Enterprises : 5.77**

Government spending (which includes consumption and transfer payments) equals 42% of GDP.

Overall tax revenue, representing 27.6% of GDP, consists of a rather high income tax rate (40.8%) and a recently lowered corporate tax rate (25.5%, down from 30%). Other taxes include value

added tax and a tax on real estate.

## **Regulation of Credit, Labour, and Business : 7.53**

Japan was ranked at the 27th place out of 189 countries surveyed in the World Bank's 2014 Doing Business report, reflecting prudent regulations regarding starting, running and closing a business in the country. It takes 22 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 : 7.41**

Japan's weighted average tariff rate stands at 1.3%. Potential obstacles to international trade include import/export bans and restrictions, opaque regulations, state trade of some goods and an inefficient customs administration.