

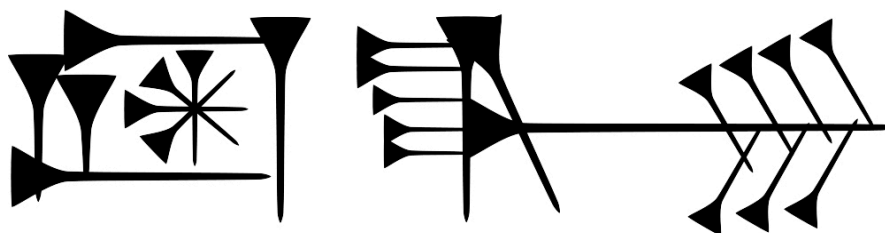
# Freedom Barometer Asia 2010

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## Foreword

by Dr. Rainer Adam, Regional Director, Southeast and East Asia, Friedrich Naumann Foundation for Freedom, Bangkok



Ama-gi<sup>1</sup>

„Ama-gi“, literally translates as „return to the mother“. This word from the Sumerian language expresses the manumission of slaves and appears in a text from the 24th century B.C. which describes the restoration of social and economic liberty in the Sumerian city state of Lagash. Urukagina, the king of Lagash, established the first known legal code which protected the rights of citizens. His laws forbade the forced sale of property and required that charges against any man accused of a crime would have to be brought forward and judged before the accused could be punished. Incidentally, the word „ama-gi“ is believed to be the first written expression of the concept of freedom.

It is astonishing to think that the definition of the word “freedom” has challenged mankind for more than four millennia. Focussing on negative liberty, or the absence of coercion, another ancient legal code, the Code of Hammurabi, protected citizens from compulsion in economic matters (such as the forced sale of land), stating that if a rich man murdered a poor one, it would still considered a murder. In the Achaemenid Persian Empire, citizens of both sexes, all religions and ethnic groups had the same rights, the same freedom of religion. Women were by law equal to men.

The Chinese word for freedom itself is also food for thought: The word, 自由, is a combination of the characters 自 (meaning self), and 由, meaning „to follow“, however with a distinct connotation of reason suggesting that freedom requires a close relationship between individualism and rationality.

Ancient Roman law granted citizens a number of liberties, such as the unhindered right to form contracts and the right not to be tortured. Many of the liberties enjoyed under Roman law endured for centuries. It formed the basis of the idea of inalienable and universal liberties proposed during the Enlightenment.

For a liberal institution, such as the Friedrich Naumann Foundation for Freedom, political, legal, and economic rights and their expression are at the centre of our consideration. In its work the Foundation focuses on the issues of freedom and property, freedom and civil society, and freedom and the rule of law. One question that occupies us is how to measure freedom in order to compare the condition of freedom across various communities. How can we measure freedom itself?

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<sup>1</sup> [http://oll.libertyfund.org/?option=com\\_content&task=view&id=389&Itemid=250](http://oll.libertyfund.org/?option=com_content&task=view&id=389&Itemid=250)

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Various think tanks across the globe have attempted to devise a way to measure levels of freedom in different countries. The different institutions have approached this issue in a multitude of ways, often focussing on one element of freedom rather than trying to assess freedom in its entirety. For example, the Economic Freedom of the World Index of the Fraser Institute and its affiliates concentrates on economic aspects only. The Press Freedom Index by Reporters without Borders focuses only on the media. The Freedom House Index mainly includes indicators measuring political freedom. Although the Bertelsmann Transformation Index evaluates both political and economic aspects; it lacks a distinct liberal approach.

The Freedom Barometer Asia came into being out of a desire to explore levels of freedom from a liberal perspective. It is now published for the second time and compiles data from other respected indices in a way that reflects our liberal notion of freedom. The Barometer's indicators comprise political freedom, rule of law, and economic freedom, which we believe are the essential prerequisites for liberty.

We hope that the Freedom Barometer Asia 2010 will demonstrate the comprehensive levels of freedom in the various Asian countries and become an incentive for further consultations, discussions and research.

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## I. Introduction to the 2010 edition

Since the first edition of the Freedom Barometer Asia was published last year, the project has undergone several changes. Most notably, and like so many other projects that evolve during a longer period, it has simply grown in size. We included an additional country - Mongolia - in our evaluation and strove to provide a more profound analysis of the respective countries as compared to last year's edition. To make the Freedom Barometer a more reader-friendly experience, we overhauled its design and published it online, where both the Barometer in its entirety, as well as the respective country chapters are available for download.

However, one crucial feature has not changed, and that is the basic concept of the Freedom Barometer. The project was born from the desire to measure freedom in Asia from a distinctly liberal point of view. For us, freedom comprises political, legal, and economic rights. But most leading indices - be it the Economic Freedom of the World Index or the Press Freedom Index - focus only on one „aspect“ of freedom. Thus, the idea to devise the Freedom Barometer was born which, admittedly, was a daunting task. Due to the small staff assigned to the project, we decided that the Barometer, instead of being an entirely independent publication, would rather be a „compilation“ of existing indices. In our research we relied on and used the data of the institutions mentioned in Annex I. In this regard, we want to acknowledge that without those data sources the Freedom Barometer could not exist in its present form.

As mentioned above, this project has grown in size since its inception, and it is all but certain that it will do so in the future. As a next step, we aim to bring our index online on a webpage of its own. This will allow readers not only to easily access the information, but also to compare the different countries and their data, to track changes over the years, and to follow political, legal, and economic developments.

As with any other project that is constantly expanding, comments and criticism are crucial for our further work. We welcome feedback which helps us to focus on where we need to improve. Also, we would like to take this opportunity to thank all authors for their contribution and wish you an interesting reading experience with the Freedom Barometer Asia 2010.

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## II. The Concept

The Freedom Barometer Asia is a project of the Regional Office for Southeast and East Asia of the Friedrich Naumann Foundation for Freedom in Bangkok. It is an attempt to measure freedom in all its complexity in selected Asian countries. In contrast to most other indices, it is not limited to one aspect of freedom, be it political or economic. The Barometer combines the most significant elements of economic and civil/political freedom with a specific liberal perspective. The existence of the death penalty, for instance, is for us a negative element of a society's existing political and legal order. Therefore we "discriminate" against countries who practise capital punishment.

However, as there is no need to reinvent the wheel, we use the data of existing indices, combining them in a new way. We also do not want to overburden our new Barometer. Therefore we have limited ourselves to ten main variables in three categories covering the following fields: **political freedom, rule of law, and economic freedom.**

The degree of **political freedom** is measured by the level of free and fair elections, the absence of undemocratic veto players, and the freedom of the press. Free and fair elections are the basis of any democracy. The International Institute for Democracy and Electoral Assistance (IDEA) puts emphasis on this element by declaring: "Electoral processes play a central role in democracy, based on the principle that the electoral process is integral to wider political processes and are not just a single technical event." In addition, particularly in reference to unconsolidated democracies (for example in Asia), undemocratic veto players (e.g. the military) often beset democratic processes and therefore this aspect is included in the Freedom Barometer as a variable. This is to make sure that elected officials effectively have the power to govern. Press freedom is the third component of political freedom. Article 19 of the 1948 Universal Declaration of Human Rights underlines: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers." Because press freedom is a prerequisite for free and fair elections and highly political in nature, this variable forms part of our political freedom dimension.

In terms of **rule of law**, the Freedom Barometer comprises the following variables: independence of judiciary, the level of corruption, and human rights protection. Independence of the judiciary constitutes an elementary part of freedom of the individual or as the Universal Declaration of Human Rights demands: "All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination." As independence of the courts and checks and balances are mutually dependent, both aspects are combined in one variable. Without an independent constitutional court or other legal institutions, true separation of powers is impossible. Corruption contradicts equal treatment and represents a violation of the rule of law. High levels of corruption correlate negatively with high levels of judicial integrity. Thus, both factors are highly interlinked. Human rights protection, as a fundamental element of freedom, constitutes the third variable of the rule of law dimension. Without rule of law there cannot be effective human rights. Without the presence of human rights rule of law is unthinkable.

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The relationship between **economic freedom** and a functioning democracy is a widely accepted fact. This is one of the major findings of the Economic Freedom of the World reports and the reason for its inclusion in the Freedom Barometer Asia 2010. However, of the five aggregate variables we included only four. This mainly had to do with the nature of the “access to sound money” indicator which seemed to have little bearing on the political economy as a major factor in the determination of a democracy’s quality and an economy’s freedom in our sense. The four included variables are: security of property rights, size of government (expenditures, taxes, and enterprises), regulation of credit, labour, and business as well as the freedom to trade internationally. These are major rallying points for liberals around the world.

### III. Components and Variables

#### Political freedom

The indicator „**Free and Fair Elections**“ is characterised by several essential features: Are there appropriate laws in place? Is the active and passive right to vote guaranteed? This also includes the right to form parties and to campaign. Furthermore, does the campaign period allow a plurality of opinion? Is the actual voting process free from state interference? Is the counting of the votes uninhibited by state or other actors’ manipulation? In addition, is a legal change of government possible?

The component „**Absence of Unconstitutional Veto Players**“ is mainly derived from the following questions: Do unelected actors have legal or constitutional privileges to delimit the authority of the designated political elite? Are those privileges exercised? Do unelected actors have informal veto power? How often do coups occur? Is the military under civilian control? The main source for this variable and „free and fair elections“ is the Freedom House report.

In terms of **Press Freedom**, the following questions are decisive: Are there relevant laws in place and are they observed? Is there freedom of speech as well as plurality of opinion (e.g. through ownership)? In addition, are journalists persecuted because of their work? The main source for this indicator is the Press Freedom Index by the organisation Reporters without Borders.

#### Rule of law

The **Independence of the Judiciary** constitutes the major determinant of the rule of law. It is essential that everyone is treated equally before the law. Judges must not decide in favour of one particular political actor for political or financial reasons (bribes). Checks and balances are also a measure of the rule of law. Disputes between governmental institutions must be resolved according to the law and the overweening dominance of any one such institution violates the principle of equality before the law and gives rise to undemocratic or corrupt practices. The main source for this indicator is the Freedom House report.

The extent of **Corruption** represents another vital factor in the concept of the rule of law. Corruption normally violates the law and contradicts equal treatment of citizens. The main source for this variable is the Corruption Perception Index by Transparency International.

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**Human Rights** constitute the third element of the rule of law in the Freedom Barometer 2010. To measure this concept, the following questions apply: Do respective laws exist? Is anyone persecuted because of his/her race, colour, gender, language, religion, national or social origin, political or other opinion, property, birth, or other status? Are basic human rights observed by the state apparatus? Does forced labour exist? Is the death penalty practised?

### **Economic Freedom**

The dimension „economic freedom” is an important supporting pillar of democracy, as pointed out above. Its variables are taken from the Economic Freedom of the World reports and not altered in any way, except that one indicator has been left out. There are thus four variables: „security of property rights”, „size of government”, „regulation of credit, labour and business” and „freedom to trade internationally”.

“**Security of Property Rights**” is one of the key principles of economic freedom. This macro-indicator consists of several variables: judicial independence, impartial courts, protection of property rights, legal enforcement of contracts and regulatory restrictions of sale of real property. Admittedly, there is a certain overlap between the independence of the courts and checks and balances indicator. However, we think this is a minor one, which is a result of the composite nature of the „security of property rights” indicator, which mainly focuses on property rights.

The indicator „**Size of Government**” consists of “expenditures, taxes, and enterprises”. This includes the level of general government consumption, the degree of transfers and subsidies of the state, the involvement of the government in enterprises and other investments and the top marginal tax rate.

„**Regulation of Credit, Labour and Business**” constitutes the third indicator of economic freedom. Credit market regulations influence the degree of ownership of banks, the level of foreign bank competition, and the extent of private sector credit. Labour market regulations comprise the existence of a minimum wage, hiring and firing regulations, centralised collective bargaining, mandated cost of hiring, mandated expenditure of work dismissal and conscription. Furthermore, business regulations consist of price controls, administrative requirements, bureaucracy costs, expenses for starting a business, the extent of corruption, licensing restrictions and cost of tax compliance.

The indicator „**Freedom to Trade Internationally**” includes the areas of taxes on international trade, regulatory trade barriers, size of the expected trade sector, black-market exchange rates, and international capital market controls.

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## IV. Country Chapters

The Freedom Barometer Asia 2010 covers countries of Southeast and East Asia. In our 2010 index we included the following nations: Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Mongolia, Myanmar, North Korea, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam.

The following table depicts the ranking of the countries on the Freedom Barometer's 0-100 scale:

Rank	Country	Score
1	Japan	78,89
2	Taiwan	73,59
3	South Korea	71,63
4	Singapore	71,51
5	Mongolia	63,52
6	Indonesia	58,52
7	Malaysia	54,20
8	The Philippines	52,59
9	Thailand	51,23
10	Vietnam	39,97
11	China	36,61
12	Cambodia	18,07
13	Brunei	16,22
14	Myanmar	14,89
15	Laos	4,92
16	North Korea	0,00

(**Explanatory Note:** For some countries, only incomplete data sets were available to us. Nevertheless, we decided to include them in our ranking as well. The fact itself that in some cases reliable information is near impossible to obtain may bear witness to the level of freedom enjoyed in the respective countries, and we wanted to provide a frame of reference. **Countries with incomplete data sets are marked in red.**)

# Japan

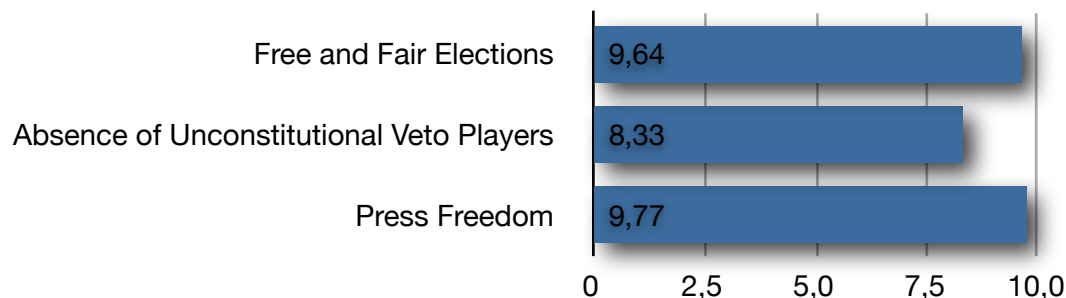
Score: 78.89

## Quick Facts

<i>Population:</i> 126.8 million	<i>GDP:</i> USD 4.338 trillion	<i>Unemployment rate:</i> 5.2%
<i>Population growth:</i> -0.24%	<i>growth rate:</i> 3%	<i>Pop. below pov. line:</i> n.a.
<i>Labour force:</i> 65.64 million	<i>per capita:</i> USD 34,200	<i>HDI:</i> 0.885
<i>by occupation:</i> agric. 4% industry 28% services 68%	<i>by sector:</i> agriculture 1.5% industry 22.8% services 75.7%	<i>HDI rank:</i> 11 (of 182)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections in Japan are generally free and fair. Parliamentary elections are divided into elections for the House of Representatives and the House of Councillors. The House of Representatives is elected every four years whereas the members of the House of Councillors are elected for six-year terms. Even though political pluralism and participation are generally unrestricted, the Liberal Democratic Party (LDP) had been in power for nearly 55 years until she was defeated by the Democratic Party of Japan (DPJ) in the 2009 elections. Japan has a very strong civic culture and there are numerous civic, human rights, welfare, and environmental organisations that can assemble freely and voice their opinion without restrictions.

*Free and Fair Elections*

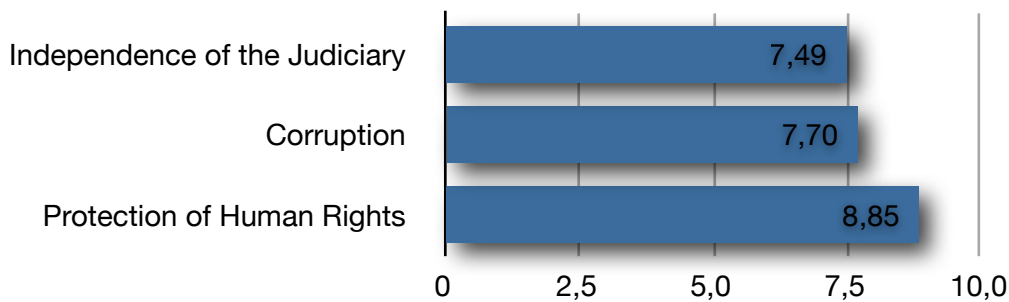
In the political system of Japan there are no unconstitutional veto players of significance. All potential veto powers such as the military or influential business groups are under civilian control. Therefore, there is no potential threat to the stability and integrity of the government by such external forces.

### *Absence of Unconstitutional Veto Players*

The press in Japan is free and unrestricted. Most print media and broadcasting stations are privately owned. The only obstacle to press freedom in Japan are the *kisha kurabu* or press clubs: To ensure that news coverage is homogeneous they foster relations between politicians, bureaucrats and media representatives. In exchange for direct access to politicians, journalists practice self-censorship in their political reporting. Therefore, the media's ability to pressure politicians to greater transparency and accountability is somewhat constrained. The use of the internet however is free and unrestricted. Reporters without Borders ranked Japan in their 2009 Index on position 17 out of 175.

### *Press Freedom*

## B. Rule of Law



The judiciary is independent from external pressure. The judicial structure in Japan consists of several levels, and judges are impartial. The Japanese legal system does not know trial by jury.

### *Independence of the Judiciary*

The 'iron triangle' of LDP, bureaucrats, and big business was the root of Japan's huge post-war economic success but has also frequently been criticised as breeding ground of corruption. Former Prime Minister Junichiro Koizumi undertook large efforts to break this vicious cycle by trying to

### *Corruption*

break up the strong ties between politics and big business - however, with limited success. Japan is also party to the UN Convention against Corruption but has not yet ratified it into national law. Transparency International ranked Japan in its 2009 Corruption Perceptions Index on position 17 out of 180.

Human rights are protected. Japan is party to all major UN conventions relating to this subject. From our liberal perspective however, one major desideratum still persists: Japan has not yet abolished the death penalty. Instead, Japan actually voted against the UN resolution proposing a worldwide moratorium of the death penalty. In 2008, 15 executions were carried out – this has been the highest number of executions since 1975.

Besides this, according to Amnesty International, prison conditions do not comply with international standards. Inmates have only limited access to medical care. Pre-trial detention conditions are subject to criticism as suspects have only limited access to lawyers. Therefore there is a higher chance of abusive interrogation methods and coerced confessions. Besides this, the overall situation of human rights in Japan is quite good as reflected in our score.

### *Human Rights*

## C. Economic Freedom



Property - both real and intellectual - is well protected. The only drawback is that it can be tedious and expensive to get patents and copyrights. Contracts are in general highly respected.

### *Security of Property Rights*

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Government spending (which includes consumption and transfer payments) is high, equalling about 36 percent of the GDP. There is a further upward trend since Japan has to pay for rising cost of social welfare for its ageing population.

Overall tax revenue - about 27.9 percent of the GDP - consists of a rather high income tax rate (50 percent), an average corporate tax rate (41 percent), a VAT, a tax on interest, and on real estate.

### *Size of Government*

Starting, running, and closing a business is well regulated. It takes 23 days to start a business which is far below the world average of 35 days, to get a business license takes less than the average of 18 procedures and 218 days. Bankruptcy proceedings are uncomplicated.

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

Labour regulations are comparably flexible. The non-salary cost of an employee is moderate, firing procedures are uncomplicated. However, regulations regarding work hours are fairly rigid.

Japan's weighted average tariff rate was 1.3 percent in 2008. Potential obstacles to international trade include import/export bans and restrictions; opaque regulations; state trade in some goods; and an inefficient customs administration.

### *Freedom to Trade Internationally*

# Taiwan

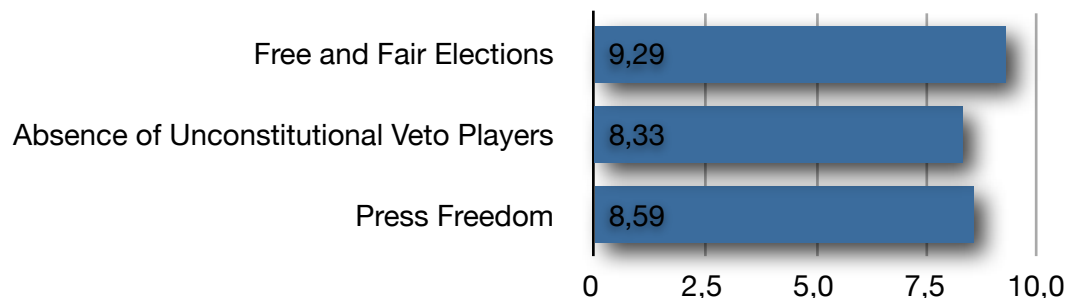
Score: 73.59

## Quick Facts

<i>Population:</i> 23.02 million	<i>GDP:</i> USD 807.2 billion	<i>Unemployment rate:</i> 5.2%
<i>Population growth:</i> 0.21%	<i>growth rate:</i> 8.3%	<i>Pop. below pov. line:</i> 1.08%
<i>Labour force:</i> 11.03 million	<i>per capita:</i> USD 35,100	<i>HDI:</i> n.a.
<i>by occupation:</i> agric. 5.1% industry 36.8% services 58%	<i>by sector:</i> agriculture 1.4% industry 31.1% services 67.5%	<i>HDI rank:</i> n.a.

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections in Taiwan are usually free and fair. The last parliamentary and presidential elections were held in 2008. As in 2004, tempers were running high with some large protests taking place, but there was no violence. Evidence suggests that there were some instances of vote-buying, albeit on a limited scale.

Political participation and pluralism is equally unrestricted in Taiwan: Opposition parties can operate freely and without restrictions. The civil society is meaningfully included in the political process.

There are no undemocratic veto players without a constitutional mandate. During Taiwan's transformation process to a democracy, all potential veto powers were

*Free and Fair Elections*

*Absence of  
Unconstitutional Veto  
Players*

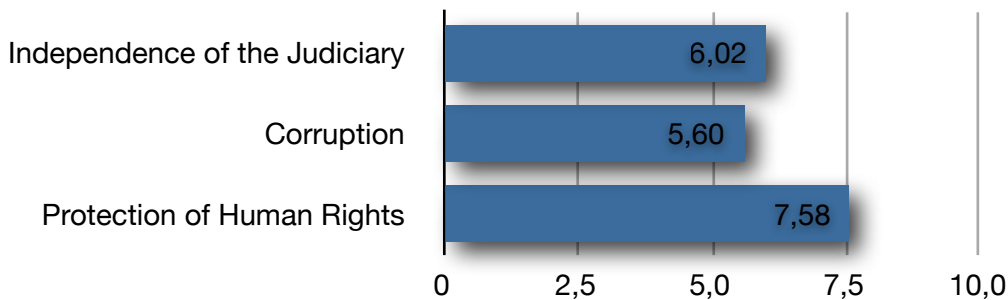
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dispersed and even though political actors sometimes strongly disagree on policy matters, there is a broad consensus among them concerning Taiwan's political system as a market-based democracy. Therefore, there are no anti-democratic powers that could act as an unconstitutional veto player.

Press and media operate relatively free and unrestricted in Taiwan. A diversity of opinions and views are voiced, criticism towards government policies is tolerated. The internet is free. Foreign journalists can travel and report without restrictions. Consequently, the government's influence on the press is minimal. Lately, there have been some efforts by the government to restrict critical press voices though: In 2008, a former spokesperson for the president was appointed deputy president of the Central News Agency (CNA). Employees reported that they were urged to change certain reports.

*Press Freedom*

## B. Rule of Law



In general, judicial independence is well developed in Taiwan. Trials are fair and usually free from external influence by politicians or business. But some doubts have been expressed regarding the political independence of Supreme Court judges. The nomination process, judicial proceedings and decisions have raised eyebrows.

*Independence of the Judiciary*

To put it bluntly, Taiwan is moderately corrupt. But things are getting better. In 2009, several measures have been taken by the government to enforce anti-corruption laws. This resulted in the removal of high-ranking officials and members of parliament who were involved in vote-buying. The media reports frequently and extensively on corruption cases and

*Corruption*

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therefore contributes to raising public awareness on this subject.

Human Rights are generally protected and respected in Taiwan. Since Taiwan - not being recognised an independent country - is not a member of the United Nations, the country is not party to any UN Conventions regarding the protection of human rights. Nevertheless, human rights violations are uncommon. Amnesty International criticises in its 2009 report that women and girls are not sufficiently protected from domestic violence. During the visit of a semi-official delegation from China, the freedom of assembly and expression was restricted. Taiwan has not yet officially abolished the death penalty – in 2009, eight people were sentenced to death. However, executions have no longer been carried out since 2005.

### *Human Rights*

## C. Economic Freedom



Property rights are adequately protected under Taiwanese law. The courts honour and enforce contracts but the judicial process can be slow at times. Several laws have been passed to enforce the protection of intellectual property rights. However, pirated CDs and DVDs, counterfeit pharmaceuticals, and fake luxury goods are readily available.

### *Security of Property Rights*

Government spending is low, equaling about 17.8 percent of the GDP. Recent privatisation and deregulation measures have led to the state playing a smaller role in Taiwan's economy.

### *Size of Government*

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Taiwan has a relatively high income tax rate of 40 percent and a moderate corporate tax rate of 25 percent. Additionally, there is a ten percent surtax on undistributed profits. Other taxes comprise a VAT and a property tax. Overall tax revenue is about 13.7 percent of the GDP.

Taiwan's financial sector is modern and competitive. Foreign investors operate freely. The government dominates banking through its banks which make up for roughly half of the financial assets. Foreign banks play a comparatively small role.

*Regulation of Credit, Labour,  
and Business*

Taiwanese regulations protect the freedom to start, run, and close a business well. It takes 23 days to start a business (compared to the world average of 35 days), getting a license takes less than the worldwide average of 18 procedures and 218 days. Closing a business is an uncomplicated procedure.

Labour regulations are fairly inflexible. The non-salary cost of a worker is low, but dismissing him can be expensive and complicated. Regulations on work hours are not flexible.

Taiwan's weighted average tariff rate is about two percent. The trade with China being the only exception, the state does not interfere much with foreign trade. In the case of China regulations try to control the country's trade and investment dependency on the mainland. Among the obstacles to foreign trade are import and export bans and restrictions; state trade in some goods; and weak enforcement of intellectual property rights.

*Freedom to Trade  
Internationally*

# South Korea

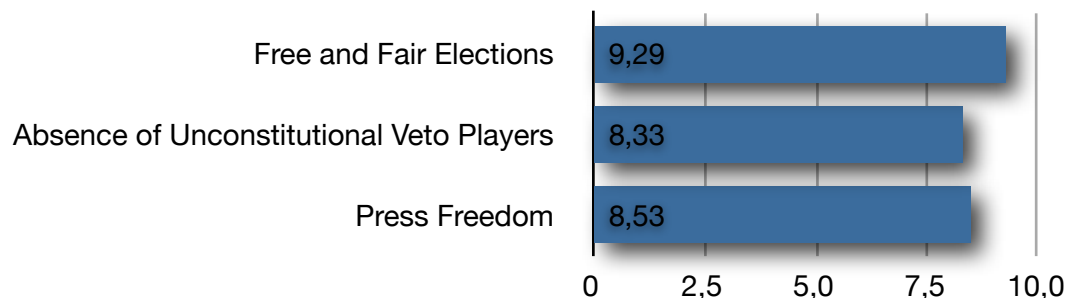
Score: 71.63

## Quick Facts

<i>Population:</i> 48.63 million	<i>GDP:</i> USD 1.467 trillion	<i>Unemployment rate:</i> 3.7%
<i>Population growth:</i> 0.26%	<i>growth rate:</i> 6.1%	<i>Pop. below pov. line:</i> n.a.
<i>Labour force:</i> 24.62 million	<i>per capita:</i> USD 30,200	<i>HDI:</i> 0.877
<i>by occupation:</i> agric. 7.3% industry 24.3% services 68.4%	<i>by sector:</i> agriculture 3% industry 39.4% services 57.6%	<i>HDI rank:</i> 12 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections in South Korea are generally free and fair. The electoral process has constantly improved since 2002, and even though contesting in an election is rather expensive, the influence of money-politics has declined during the last years. The president, who can only serve one term, is elected every five years. The members of the national assembly are elected for four year terms. Political pluralism and participation are strong in South Korea: There are several political parties that contest in the elections and also variety of active NGOs.

There are no undemocratic veto players in the South Korean political system that lack a constitutional mandate: Civilian control of the army has been successfully established. Other

*Free and Fair Elections*

*Absence of  
Unconstitutional Veto  
Players*

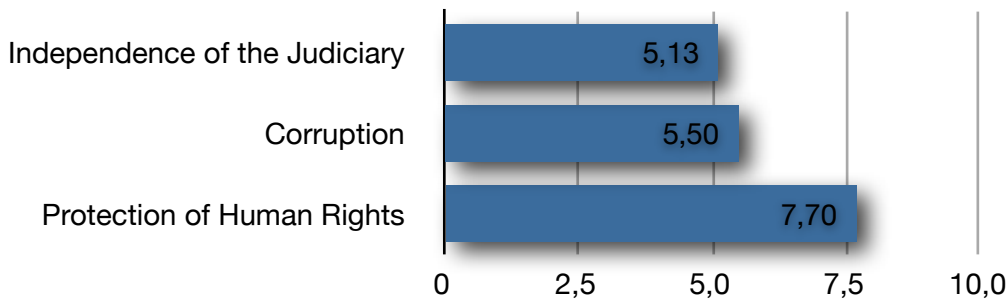
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influential groups do not have too big a stand in politics. However, government transparency remains comparatively low which in part can be contributed to widespread corruption.

The media is mostly free and unrestricted in South Korea. There are several privately owned newspapers that operate freely. However, the National Security Law punishes all actions that are perceived as favouring the North and therefore questioning the legitimacy of the South Korean state. This leads to a certain degree of self-censorship in order to avoid prosecution. Nevertheless, the press in South Korea is significantly freer than in other countries of this region. In their 2009 index, Reporters without borders ranked South Korea in position 69 out of 175.

### *Press Freedom*

## B. Rule of Law



Although the judiciary in South Korea operates more or less freely and independently, reports suggest that government officials occasionally try to influence judges. So the judicial system is not entirely free from governmental pressure. Especially political opponents are affected by this practice: Government officials have for example ordered investigations into certain tax matters to intimidate the opposition.

### *Independence of the Judiciary*

The South Korean government enacted an anti-corruption law in 2001, followed by a general code of conduct for public officials in 2003. Moreover, the Independent Commission Against Corruption was established. Still, bribes and extortion of or by public officials remains a widespread problem. A spectacular corruption case saw former president Roh Moo-hyun being prosecuted for his involvement in dubious business

### *Corruption*

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deals. Despite the efforts undertaken by the government, corruption still is a serious issue in South Korea.

The overall human rights situation in South Korea is satisfactory. However, there have been reports of inhuman, degrading, and unlawful detentions - these incidents seem to have happened only on a limited scale though. The death penalty, although not yet officially abolished, is no longer executed.

### *Human Rights*

## C. Economic Freedom



Private property is well protected under South Korean law and expropriation is unlikely to happen. But the courts can be slow in deciding on contractual matters. The protection of intellectual property rights, on the other hand, is deficient. Piracy of copyrighted material is not uncommon.

### *Security of Property Rights*

Government spending is on moderate levels, reaching about 29 percent of the GDP.

### *Size of Government*

South Korea has a rather high top income tax rate of 38.5 percent and a top corporate tax rate of 22 percent. Other taxes include a VAT and a property tax. Overall tax revenue is about 28.7 percent of the GDP.

South Korea's financial sector is in the process of undergoing reforms which improve transparency, efficiency, and end state-directed lending. As a result, the financial sector is becoming

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

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more competitive. The restructuring of banking during the past decade has resulted in weak institutions being merged or shut. Non-performing loans have decreased. The government has to some extent retreated from private banks but still keeps some ownership positions.

South Korean laws regulate the possibility to start, run, and close a business fairly well. It takes 14 days to start a business (compared to the world average of 35 days), getting a license can be done in less than the world average 18 procedures and 218 days. Closing a business is an easy procedure.

However, labour regulations are inflexible. The non-salary cost of a worker is moderate, but firing procedures are complicated. Work hour regulations are inflexible.

On the path to further trade liberalisation, South Korea has negotiated FTAs with Chile, Singapore, ASEAN, and EFTA during the past couple of years. Furthermore, the government is pursuing agreements with the EU, the USA, and Peru.

Obstacles to foreign trade are prohibitive tariffs, import and export restrictions, complicated regulations, and state trading in some goods.

*Freedom to Trade  
Internationally*

# Singapore

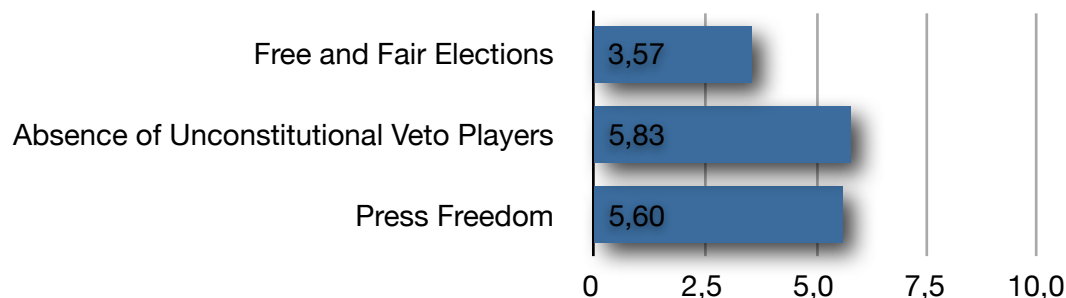
Score: 71.51

## Quick Facts

<i>Population:</i> 4.7 million	<i>GDP:</i> USD 292.2 billion	<i>Unemployment rate:</i> 2.3%
<i>Population growth:</i> 0.86%	<i>growth rate:</i> 14.6%	<i>Pop. below pov. line:</i> n.a.
<i>Labour force:</i> 3.09 million	<i>per capita:</i> USD 62,200	<i>HDI:</i> 0.849
<i>by occupation:</i> agric. 0% industry 23.8% services 76.2%	<i>by sector:</i> agriculture 0% industry 27.2% services 72.8%	<i>HDI rank:</i> 27 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections are held every five years in Singapore and voting is mandatory. People that fail to cast a ballot are excluded from the electoral register and therefore banned from participating in future elections – unless they have an acceptable reason for not voting and pay a fee. The last elections in 2006 resulted in the ruling People's Action Party (PAP) winning 82 out of 84 seats. There is no independent authority to monitor the electoral process.

Political pluralism is practically non-existent despite officially being encouraged by the government. The opposition is often intimidated and its space for political participation heavily restricted.

*Free and Fair Elections*

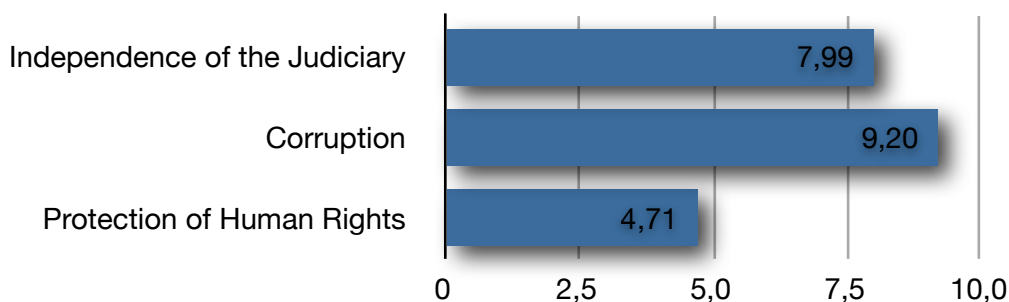
There are no unconstitutional veto players in the political system of Singapore. The government entirely controls the country's politics. Unfortunately, this also means that oppositional political parties have virtually no space to operate: Reformers that could become potential veto actors are denounced as dissidents and can be silenced by the government at any time.

*Absence of  
Unconstitutional Veto  
Players*

All national press in Singapore is controlled by the Singapore Press Holdings (SPH) that effectively practices self-censorship. On several occasions, foreign newspapers have not only been subject to lawsuits and forced to pay high fines, also their circulations have been restricted. One can say that in Singapore, rather than freedom of the press, there is freedom from the press. Moreover, political films or documentaries are entirely banned. The internet however has resisted to governmental censorship. The index published by Reporters without Borders ranked Singapore in 2009 on position 133 out of 175. Korea in position 69 out of 175.

*Press Freedom*

## B. Rule of Law



Judges are appointed by the president on advice of the prime minister, a fact that makes it hard to imagine that judges are free from political influence. And indeed, several cases involving opposition politicians have driven them into bankruptcy. Many a judge is closely connected to the PAP. In terms of their usually PAP-friendly judgments however, it is not entirely clear, if the judges act on their own beliefs or if they are pressured by members of the party.

*Independence of the  
Judiciary*

The Singaporean government adheres to a strict no-tolerance policy regarding corruption. This is essential to the economic success of Singapore: If investors felt that their funds are not safe, the image of Singapore as one of the region's biggest financial hubs would be severely damaged. Anti-corruption efforts are by and large successful. Transparency International rated Singapore in its 2009 Corruptions Perceptions index on position three of 180 surveyed countries.

The protection of human rights is rather deficient. Singapore is not party to any of the UN's major conventions on the protection of human rights. The freedom of expression is restricted, defamation charges are pressed against anyone who criticises the government. Moreover, the death penalty is in force: Singapore rejected a UN motion calling on a worldwide moratorium on the use of the death penalty. From our liberal point of view, this is more than regrettable. Religious freedom is only respected as long as it is not considered endangering the integrity of state. In 2009, 23 suspected Islamists were detained without trial – concerns about inhuman treatment or torture have been voiced in this respect.

### C. Economic Freedom



Both private property rights and intellectual property rights are well protected under Singaporean law. Contracts are secure, if urban needs make the acquisition of real estate necessary, compensation is provided. Singapore has one of the region's most sophisticated intellectual property rights regimes. The Intellectual Property Office of Singapore is the country's leading agency that serves as government advisor on

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intellectual property rights and promotes intellectual property awareness.

Government spending is low, reaching about 12.5 percent of the GDP. Through government-linked companies the state is to a considerable extent involved in Singapore's economy.

### *Size of Government*

Taxes are comparably low. The top income tax rate equals 20 percent whereas the top corporate tax rate is 18 percent. Other taxes include a VAT and a property tax. Overall tax revenue is about 14.3 percent of the GDP.

The financial sector of Singapore is highly competitive. Banking is dominated by three groups, the biggest is the Development Bank of Singapore which is owned by the government. Additionally, 110 foreign banks operate more or less freely in the country.

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

To start, run, and close a business is easy under Singapore's regulations. Starting a business takes a mere three days (the world average is 35 days), a business license is obtainable in less than the world average of 18 procedures and 218 days. Closing a business is uncomplicated.

Singaporean labour regulations are flexible. The non-salary cost of an employee is low, dismissing him is easy. Work hour regulations are flexible.

A founding member of the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation, Singapore promotes the reduction of trade barriers between member states. Singapore's foreign trade is by and large liberalised, its weighted average tariff rate is 0 percent. However, some import and export restrictions, service market barriers, and licensing requirements are obstacles to foreign trade.

### *Freedom to Trade Internationally*

# Mongolia

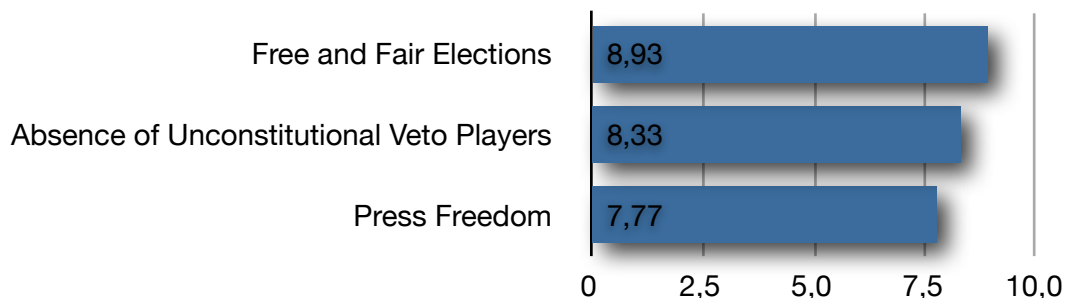
Score: 63.52

## Quick Facts

<i>Population:</i> 3.09 million	<i>GDP:</i> USD 10.16 billion	<i>Unemployment rate:</i> 2.8%
<i>Population growth:</i> 1.5%	<i>growth rate:</i> 7%	<i>Pop. below pov. line:</i> 36.1%
<i>Labour force:</i> 1.07 million	<i>per capita:</i> USD 3,300	<i>HDI:</i> 0.622
<i>by occupation:</i> agric. 34% industry 5% services 61%	<i>by sector:</i> agriculture 21.2% industry 29.5% services 49.3%	<i>HDI rank:</i> 100 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections are generally free and fair. The last presidential elections in 2009 were considered as conforming to democratic standards by independent international observers. A point of criticism are the frequent changes made to voting procedures in parliamentary elections: In the last few years, the subdivision of electoral districts has been varying between multi-member and single-member districts. Critics are concerned this could lead to instability.

### *Free and Fair Elections*

Political participation and pluralism are constitutionally granted and also protected in practice. Civil society groups can usually operate without governmental restrictions. Trade unions operate legally and are protected by the government.

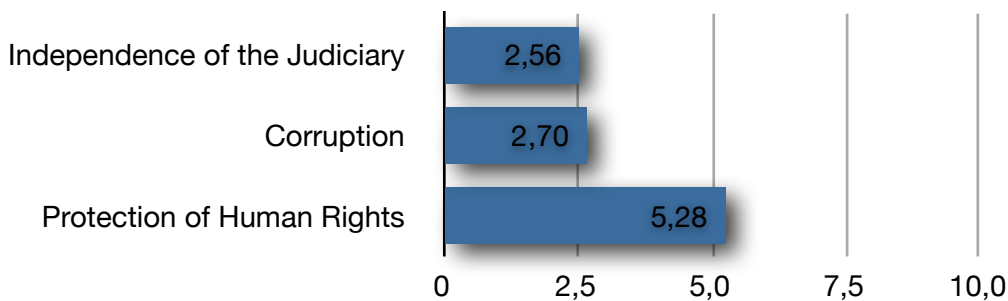
There are no unconstitutional veto players in the political system of Mongolia. Civil control over the military has been established. Business interests or other pressure groups remain subordinate when it comes to policy-making. But the government does not always operate entirely transparently which has been the cause of some concern. Nevertheless, the integrity of the government is by no means threatened by extra-legal powers.

*Absence of  
Unconstitutional Veto  
Players*

The freedom of the press is generally respected by the government. But some journalists practice self-censorship for fear of being prosecuted under the controversial State Secrets Law. In the past, this law has sometimes been used to quell criticism towards the government. However, media restrictions imposed during the state of emergency in 2008 have been lifted again. Reporters without borders ranked Mongolia on position 91 out of 175 in its 2009 index.

*Press Freedom*

**B. Rule of Law**



The independence of the courts is constitutionally granted. But, in practice, corruption plays a major part in judicial decision-making. Moreover, the enforcement of rules regarding the judiciary's independence is insufficient. This is also reflected in the score that Mongolia achieves in this section despite its rather good performance in terms of political freedom.

*Independence of the  
Judiciary*

Corruption is a part of daily business. A report by the Asia Foundation found that in 2009 one out of five households had used bribes when dealing with official bodies. An anti-

*Corruption*

corruption agency, the Independent Authority Against Corruption, was created as late as 2007 to deal with the problem - so far with limited success. The 2009 Corruption Perceptions Index issued by Transparency International ranks Mongolia on position 120 out of 180 countries.

Even though the country - at least in theory - respects and protects human rights, its human rights record is shaky. Mongolia does not only adhere to the death penalty as punishment. Capital punishment is carried out secretly - according to Amnesty International there is no data available on the number of executions in 2009. During the post-election period in the same year, violent protests resulted in the arrest of about 700 people. Many reported having been denied access to a lawyer and medical care.

*Human Rights*

C. Economic Freedom



The enforcement of laws protecting private property is weak. Judges tend to either not respect contracts at all or to ignore their contents. The same applies for the protection of intellectual property. Enforcement is lax, pirated products are readily available.

*Security of Property Rights*

Government spending (including consumption and transfer payments) is relatively high, equaling about 38 percent of the GDP.

*Size of Government*

Mongolia has a low top income tax rate of ten percent and a moderate corporate tax rate of 25 percent. Other taxes

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comprise a VAT, an excise tax on alcohol and vehicles, and a dividend tax. Overall tax revenue reaches about 33 percent of the GDP.

The last years saw a restructuring of the banking sector which means that private access to credit is now easier. By and large, the government stays out of the financial sector and foreign investors enjoy a mostly unconstrained access to the domestic capital market. Ten of the 16 private banks currently operating in the country are foreign-owned. The number of state-owned banks has been reduced. Adding to the number of banks, there are 72 smaller, mostly unregulated lending institutions.

To start, run, and close a business is protected by the country's regulatory environment. Starting a business takes a mere 13 days which is less than half the world average of 35 days. But declaring bankruptcy can be a lengthy and burdensome process.

Labour regulations are comparatively flexible. The non-salary cost of a worker is average whereas firing an employee is a straightforward and costless procedure. Regulations on work hours, however, are not flexible.

Mongolia's weighted average tariff rate is about 5 percent. International trade is relatively free liberalisation progressing. But import and export restrictions and taxes, weak enforcement of intellectual property rights, and inefficient and corrupt customs implementation pose an obstacle to international trade.

*Regulation of Credit,  
Labour, and Business*

*Freedom to Trade  
Internationally*

# Indonesia

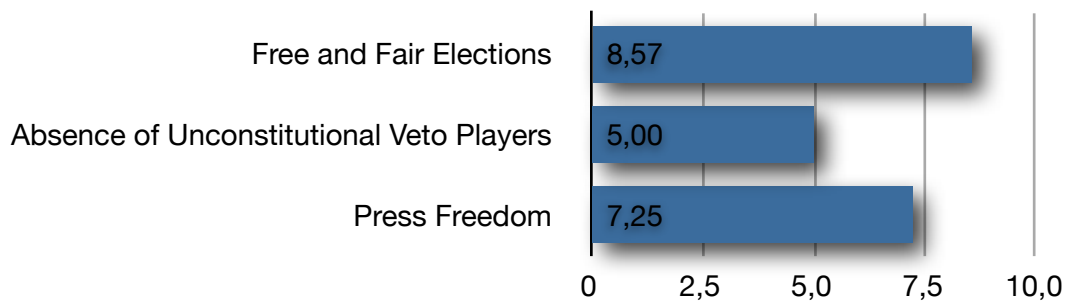
Score: 58.52

## Quick Facts

<i>Population:</i> 242.97 million	<i>GDP:</i> USD 1.33 trillion	<i>Unemployment rate:</i> 7.1%
<i>Population growth:</i> 1.1%	<i>growth rate:</i> 6%	<i>Pop. below pov. line:</i> 13.3%
<i>Labour force:</i> 114.9 million	<i>per capita:</i> USD 4,300	<i>HDI:</i> 0.600
<i>by occupation:</i> agric. 42.1% industry 18.6% services 39.3%	<i>by sector:</i> agriculture 14.9% industry 46.8% services 38.3%	<i>HDI rank:</i> 108 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



President and Vice-President, the House of Representatives, the Regional Representative Council and the local Houses of Representatives are directly elected every five years. Candidates running for president and vice-president need an absolute majority of votes to be appointed. The last general elections in 2004 and 2009 by and large complied with democratic standards. However, irregularities with voter lists occurred and the supreme court ordered a partial recounting of votes.

### *Free and Fair Elections*

Political pluralism and participation is generally free and unrestricted in Indonesia. A great variety of NGOs and local interest groups are involved in communal politics. The rights of assembly and association are generally respected.

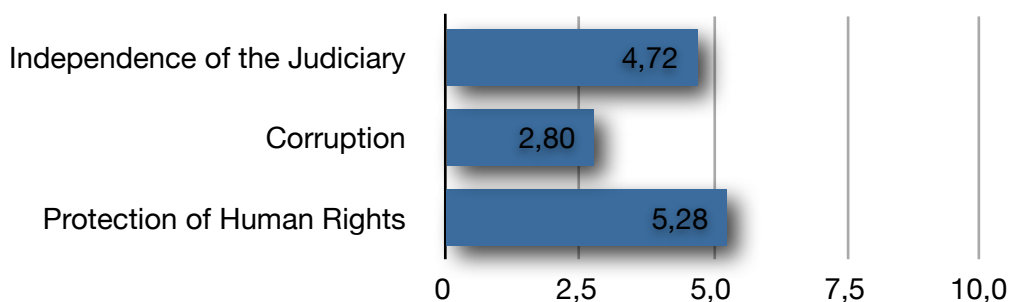
Compared with other countries in the region, Indonesia achieves an average score. Even though the authority of the Indonesian government is not directly challenged, there are some unconstitutional veto players which influence politics to a certain degree. The army has gradually retreated from politics since 1999 and may interfere in politics only if national unity is threatened. But some high-ranking officers have done well in provincial elections. This grants the army some sway over Indonesian politics. Radical Islamic forces are another potential veto player. In the past, these groups successfully pressured the government to pass legislation in their favour.

*Absence of  
Unconstitutional Veto  
Players*

The freedom of the press is a cornerstone of Indonesian democracy. A great variety of TV and radio stations reports freely on political matters. The internet is also relatively free but there are restrictions regarding content perceived to threaten moral norms. However, a few flaws still remain: Foreign journalists need special permissions to travel to some regions such as Papua and West Papua and some journalists faced threats and violence when reporting on controversial issues.

*Press Freedom*

**B. Rule of Law**



The judiciary in Indonesia is not fully independent. The regime change of 1998 left the judiciary to some extent untouched and the army and big business still remain influential in this branch of government. Bribes are a common instrument to influence court decisions. That the salaries of judges, attorneys and lawyers are rather low also adds to the attractiveness of bribes. But the newly established constitutional court seems to take its task seriously and has so far proved to be a valuable contributor

*Independence of the  
Judiciary*

to the process of democratisation. Nevertheless, the quality of the judiciary in Indonesia remains a little lower than average.

Corruption is widespread in Indonesia. President Susilo Bambang Yudhoyono made the fight against corruption a central element of his election campaign in 2004 and, once in office, established an anti-corruption commission. Many high-ranking government officials have been arrested on allegations of misconduct ever since but the problem still persists as these measures have merely scratched the surface. Considering these circumstances, it does not come as a surprise that Transparency International ranked Indonesia only 111 out of 180 countries in its 2009 Corruption Perceptions Index. This result in turn is reflected in our score which is relatively low.

### *Corruption*

There have been significant improvements in terms of human rights protection under the Yudhoyono administration. But there are still some severe problems: For one, Indonesia still adheres to the death penalty. Amnesty International published reports that accuse security forces of torture and murder. Religious minorities continue to experience discrimination, intimidation and violence. All in all, the situation of human rights in Indonesia is not as bad as in other countries in the region but there is still room for improvement.

### *Human Rights*

## C. Economic Freedom



A deficient legal framework, ineffective administration, and patronage networks affect the security of property rights. In many cases, court rulings are arbitrary and judges tend to rule

### *Security of Property Rights*

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against foreigners in business disputes. Contracts are often ignored. A lack of land titles also poses a problem, most notably for the rural population. The enforcement of intellectual property is weak.

Government spending (including consumption and transfer payments) is low, equaling about 19.1 percent of the GDP. The state controls considerable parts of the economy. Sound fiscal management has meant that Indonesia could deal well with the challenges of the global financial crisis.

### *Size of Government*

A fiscal reform brought taxes to average levels, resulting in a top income tax rate of 30 percent and a corporate tax rate of 28 percent. Overall tax revenue equals 11.3 percent of the GDP.

Indonesia's financial system has been gradually restructured since the late 1990s, resulting in a reduction of banks to about 130 institutions. Subsequently, the efficiency of the banking system has increased. The state owns five banks and has taken steps to establish a financial services authority.

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

Various regulations hinder the freedom to start, run, and close a business. Starting a business takes more than the world average of 35 days. Getting a business license takes a total of 18 procedures. Closing a business is complicated and costly.

Restrictive labour regulations keep the non-salary cost of an employee on average but make dismissing him costly.

Indonesia's weighted average tariff rate is 3.6 percent. To meet requirements of WTO, AFTA, and APEC, Indonesia will have to continually reduce tariffs until 2020. At present, international trade suffers from a complicated system of licensing requirements, lacklustre implementation of trade policies, a deficient enforceability of contracts and property rights, and a corrupt customs department.

### *Freedom to Trade Internationally*

# Malaysia

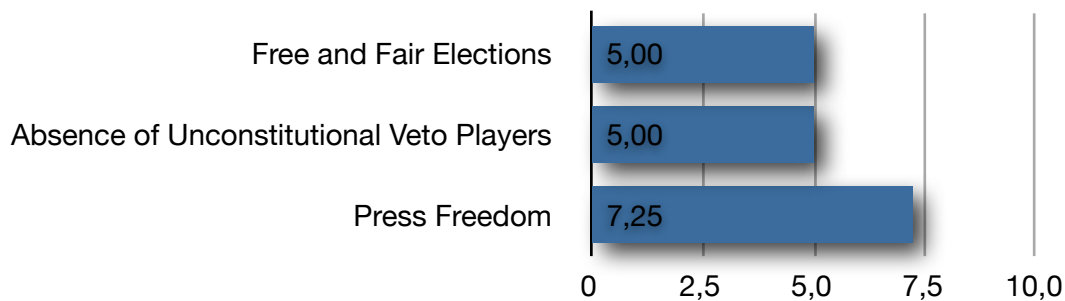
Score: 54.20

## Quick Facts

<i>Population:</i> 28.27 million	<i>GDP:</i> USD 416.4 billion	<i>Unemployment rate:</i> 3.5%
<i>Population growth:</i> 1.61%	<i>growth rate:</i> 7.1%	<i>Pop. below pov. line:</i> n.a.
<i>Labour force:</i> 11.62 million	<i>per capita:</i> USD 14,700	<i>HDI:</i> 0.744
<i>by occupation:</i> agric. 13% industry 36% services 51%	<i>by sector:</i> agriculture 9.1% industry 41.6% services 49.3%	<i>HDI rank:</i> 8 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Universal suffrage has been established and elections are held on a regular basis. The last general elections took place in March 2008 and opposition parties succeeded in breaking the two-thirds majority of the ruling coalition for the first time in almost forty years. The Barisan National (BN) which previously had won 198 of 219 seats in the 2004 elections only managed to secure 140 seats in 2008. But elections cannot be regarded as entirely free and fair. The BN has been accused of tampering with voter registration lists. Repressive laws limited the chances of the opposition. That opposition parties nevertheless managed to win a considerable number of votes suggests that the BN's dominance is diminishing.

*Free and Fair Elections*

In terms of political pluralism and participation, the government allows societal groups as long as they don't interfere with government policies. Certain civic activities are constrained by laws, for example the right to freely associate and assemble. The influence of non-governmental organisations is therefore insufficient.

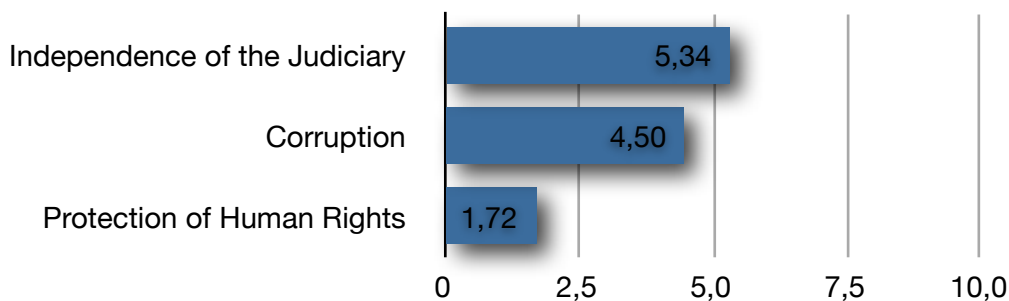
The effective power to govern lies in the hands of the government. Veto players such as the military remain under civil control. But powerful Islamic groups frequently put pressure on the government to pass legislation in their favour and have gained increasing influence in the past years.

*Absence of  
Unconstitutional Veto  
Players*

The freedom of the press in Malaysia is guaranteed by the constitution. But in practice, the freedom of press, expression and speech are restricted. Political discussion in the media did become more frequent after the 2008 elections but many private television stations are closely tied to the BN and practice self-censorship. In 1984, the government introduced the Printing Presses and Publications Act (PPPA) that can be used to revoke licenses without any judicial process and requires publishers to annually renew their license. This provides a strong incentive for self-censorship and limits investigative journalism. The internet emerged as an outlet for dissenting views and opinions. In 2007 the government reacted to this new trend by pressing charges against bloggers on grounds of defamation.

*Press Freedom*

## B. Rule of Law



The independence of the courts is heavily compromised by the influence of the executive branch of government. Politically motivated verdicts are common as the case of Anwar Ibrahim,

*Independence of the  
Judiciary*

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an opposition leader, shows. He was jailed on corruption and sodomy charges in 1999 and 2000. The conviction for sodomy was overturned in 2004 and he was released from prison. Charges pressed against him for corruption however were upheld, causing him to refrain from any political engagements until 2008. In late 2008, Anwar was again accused of sodomy and in November 2010 the case was still pending. The government has recently tried to restore the image of the judiciary by issuing a bill granting the judiciary more independence. This endeavour was widely perceived as a public relations exercise. The prime minister remains highly influential in terms of judicial verdicts.

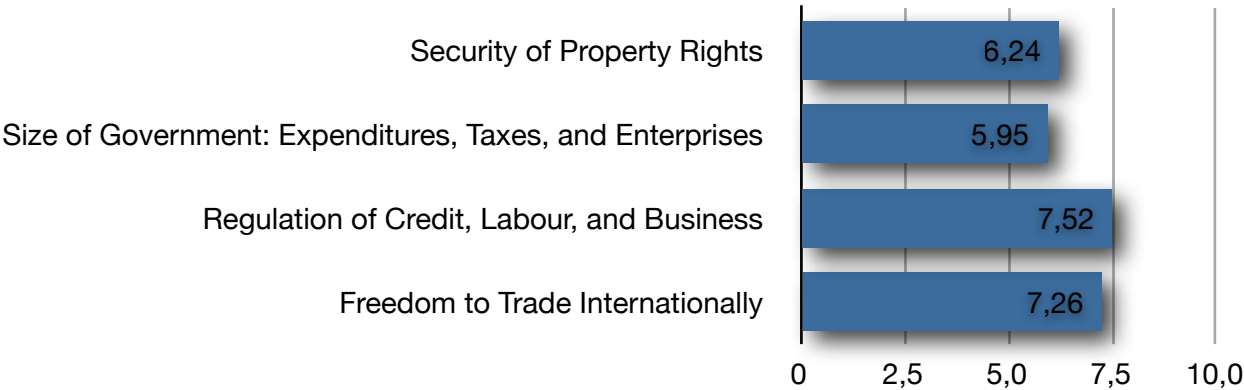
Corruption remains a serious problem among the political and business elite of the country. Even though the government tries to keep up its public image of sincerely fighting corruption, there is little political will to effectively tackle this problem. Transparency International ranked Malaysia in its 2009 Corruption Perceptions Index on position 56 out of 180.

### *Corruption*

There are severe flaws in terms of human rights protection. For one, the death penalty is still in force: 22 people were sentenced to death in 2009, the number of executions is unknown. From our liberal perspective this is regrettable. Moreover, as the case of Anwar Ibrahim shows, people can be convicted for their (alleged) sexual orientation – another fact that we disapprove of. According to Amnesty International, there have also been reports of degrading and inhumane treatment of suspects as well as arbitrary detention. Malaysia furthermore is not party to any of the relevant UN Conventions such as the Convention Relating to the Status of Refugees, the Covenant on Civil and Political or the Covenant on Economic, Social and Cultural Rights.

### *Human Rights*

### C. Economic Freedom



The acquisition, use, and sale of private property is largely protected by respective Malaysian laws. The caveat being 'largely', there are notable exceptions: Borneo's indigenous population is subject to forced relocations which pave the way for large infrastructure projects - and civil unrest. The judiciary (as mentioned above) is under influence of the ruling BN. Corporate lawsuits take over a year to file and are often decided according to political motivations. Intellectual property rights are a problematic matter. Enforcement is insufficient, most notably producers of pharmaceuticals and consumer products suffer serious losses.

*Security of Property Rights*

Government spending (which includes consumption and transfer payments) is comparatively low, amounting to about 25 percent of the GDP.

*Size of Government*

Taxes in Malaysia are on average levels. The top individual income tax rate is at 27 percent whereas the top corporate tax rate was recently reduced from 26 percent to 25 percent. Overall tax revenue is about 14.8 percent of the GDP.

*Regulation of Credit, Labour, and Business*

38 commercial banks under the central bank's supervision make up Malaysia's banking sector. Foreign involvement is subject to restrictions: Equity participation is limited to 30 percent for commercial banks and 70 percent for Islamic and investment banks, and insurance companies. Malaysia's financial system withstood the challenges of the global financial crisis relatively well.

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To start, run, and close a business is constrained by regulations. Although starting a business takes a mere 11 days (less than a third of the world average of 35 days), getting a license is a rather tedious undertaking which requires more than the average 18 procedures and 218 days.

Labour regulations are flexible. Although dismissing an employee may be complicated and costly, his non-salary cost is low. A minimum wage is unknown and working hours are flexibly regulated.

Foreign trade is in principle liberalised but protectionism regarding key enterprises proves to be a barrier for foreign investors. The government's 'New Economic Policy' makes Malaysia a somewhat difficult place for foreign direct investment. Malaysia is the only ASEAN country with a FDI outflow bigger than its inflow which might be a sign of investors losing confidence. However, Malaysia profits immensely from the ASEAN-Australia-New Zealand Free Trade Agreement which entered force in 2008.

*Freedom to Trade  
Internationally*

# The Philippines

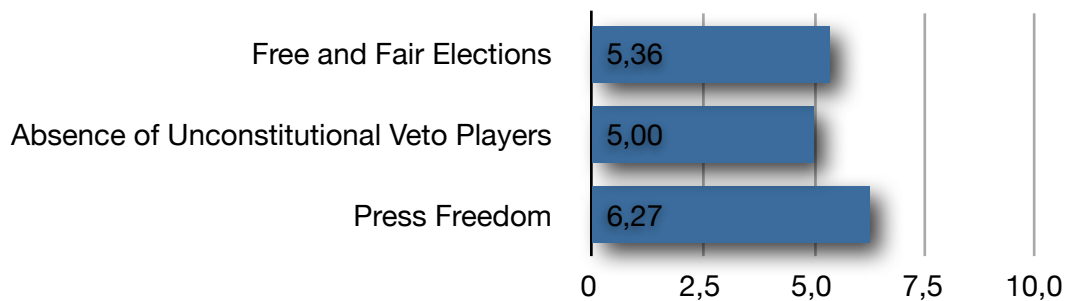
Score: 52.59

## Quick Facts

<i>Population:</i> 99.9 million	<i>GDP:</i> USD 351.2 billion	<i>Unemployment rate:</i> 7.5%
<i>Population growth:</i> 1.93%	<i>growth rate:</i> 6.7%	<i>Pop. below pov. line:</i> 32.9%
<i>Labour force:</i> 38.91 million	<i>per capita:</i> USD 3,500	<i>HDI:</i> 0.638
<i>by occupation:</i> agric. 34% industry 15% services 51%	<i>by sector:</i> agriculture 13.7% industry 31.7% services 54.6%	<i>HDI rank:</i> 97 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



The Philippine president is directly elected by the public. Apart from the presidential elections there are also legislative elections. The last elections of 2004 (presidential elections) and 2007 (congressional elections) were marred by fraud and vote-buying on a massive scale and instances of intimidation and political violence. In 2010, Freedom House even denied the Philippines the status of an electoral democracy. Political participation is comparatively unrestricted: There was a brief period during 2005 and 2006 when the government restricted the rights of assembly. But these restrictions were lifted as a result of public pressure. In general, the Philippines have a tradition of freedom and civil liberties. This is reflected in our

*Free and Fair Elections*

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score: Even though the past elections were widely criticised, the Philippines remain still on an average level.

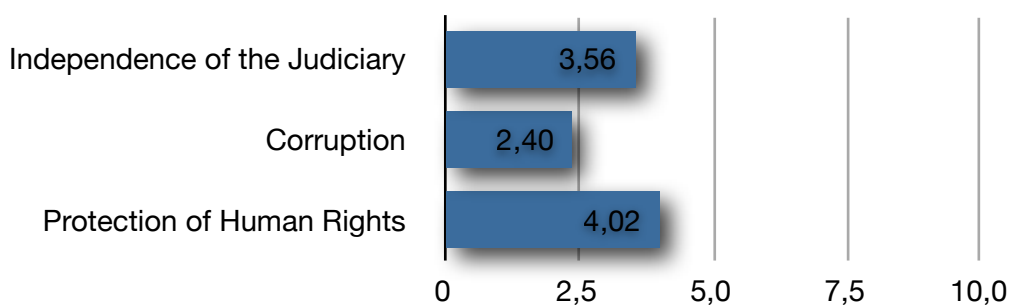
Unconstitutional veto players are not completely absent in the political system of the Philippines. In 2006, there was an alleged coup attempt. Moreover, violent insurgent groups have been threatening the country's security for the past years. All efforts to stop the violence have proved to be unsuccessful so far. Nevertheless, the overall situation can be judged as relatively stable so that the Philippines are positioned in the mid-range in this section.

### *Absence of Unconstitutional Veto Players*

The constitution of the Philippines protects press freedom. Things present themselves differently in reality though: The Philippines are among the most risky countries for journalists as numerous deaths occur every year. Reporters without borders ranked the country on position 156 out of 178 surveyed countries in their 2010 index – a sharp decline compared to the previous year. The reason was the killing of 29 journalists in Maguindanao province. Nevertheless, the Philippine's score in this section remains comparatively high as press freedom and freedom of expression are generally a given and government censorship is not a major problem.

### *Press Freedom*

## B. Rule of Law



The independence of the courts is rather weak: Judges are poorly paid (the judiciary gets only one percent of the national budget) and often have to look for additional sources of income to make ends meet. This in turn affects impartiality and often leads to compromised judgments. That supreme court judges are appointed by the government also does not foster their independence.

### *Independence of the Judiciary*

## Corruption

Corruption is rampant. Former President Gloria Macapagal-Arroyo herself was involved in several corruption cases which eventually led to an (unsuccessful) impeachment debate in parliament. Naturally, corruption is not limited to the highest state levels – rather it is a widespread element of Philippine society. In 2008, for example, a considerable number of banks were closed because of mismanagement and internal corruption. In Transparency International's ranking of 2009, the Philippines were ranked on position 139 out of 180 surveyed countries.

## Human Rights

The Philippines abolished the death penalty and is party to all major UN conventions relating to human rights. But the situation remains problematic. A number of reports reveal cruel, inhuman, and degrading conditions in jails. A new outbreak of violence in Mindanao province in 2008 led to the displacement of about 600,000 people. The Moro Islamic Liberation Front, a Muslim insurgent group, reportedly trains children as young as 13 as soldiers. Extra-judicial killings, arbitrary detention, and abuse by security forces happen on a frequent basis.

## C. Economic Freedom



Property rights and laws to protect them are firmly entrenched in the Philippine legal system which in turn draws investment in the economy. A constitutional amendment aims to lift restrictions for foreigners regarding full ownership of land and businesses. However, the enforcement of intellectual property remains problematic.

## Security of Property Rights

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Government expenditures (which include consumption and transfer payments) are comparatively low, equaling 17.1 percent of the GDP.

### *Size of Government*

Taxes are rather high. The top income tax rate is 32 percent whereas the top corporate tax rate is at 30 percent. Additionally, Philippine citizens have to pay a VAT, a real estate tax, and an inheritance tax. Overall tax revenue is about 14 percent of the GDP.

With 38 commercial banks operating on the Philippines, banking dominates the financial sector. Two big state-owned banks account for about 15 percent of the total assets. The government runs a small Islamic bank which caters mostly to Muslim citizens in the South. Although credit is generally allocated at market terms, banks have to lend part of their money to preferred sectors.

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

To start, run, and close a business is constrained by a multitude of regulations. Starting a business takes about 52 days which is considerably more than the world average of 35. Getting a license takes less than the world average of 218 days though. To close a business can be a complicated and lengthy procedure.

Non-salary costs of an employee are low but inflexible labour regulations make firing an employee a complicated procedure.

Stressing the importance of trade liberalisation, consecutive Philippine governments have taken measures to facilitate this. Several regional and bilateral FTAs led to an ever increasing exchange between the Philippines and other countries in the region.

### *Freedom to Trade Internationally*

Among the drawbacks to international trade are high tariffs; import and export restrictions; access barriers to the Philippine service market; opaque customs valuations; corruption; and (as mentioned above) a weak intellectual property rights regime.

# Thailand

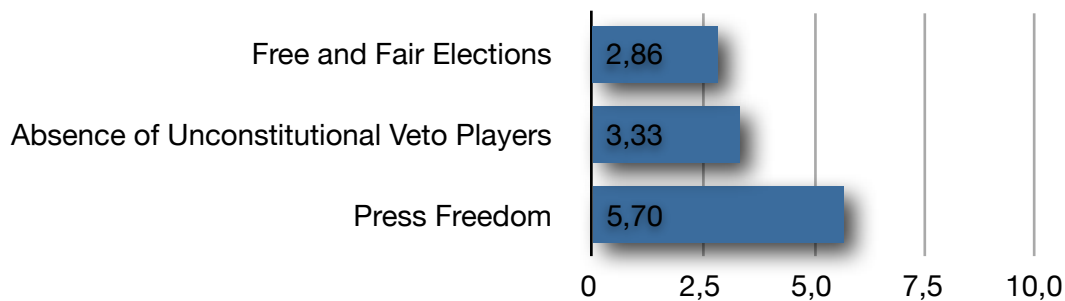
Score: 51.23

## Quick Facts

<i>Population:</i> 67.09 million	<i>GDP:</i> USD 580.3 billion	<i>Unemployment rate:</i> 1.2%
<i>Population growth:</i> 0.65%	<i>growth rate:</i> 7.6%	<i>Pop. below pov. line:</i> 9.6%
<i>Labour force:</i> 38.7 million	<i>per capita:</i> USD 8,700	<i>HDI:</i> 0.654
<i>by occupation:</i> agric. 42.4% industry 19.7% services 37.9%	<i>by sector:</i> agriculture 10.4% industry 45.6% services 44%	<i>HDI rank:</i> 92 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



The 2007 parliamentary elections were the first to be held after the 2006 military coup that ousted controversial prime minister Thaksin Shinawatra and brought a new constitution (Thailand's 18th in 75 years). Even though there were no major disruptions during the polls, they cannot be regarded as free and fair. The army continued to influence the political process and martial law was still in effect in 25 provinces.

In theory, the new constitution provides for universal suffrage. Buddhist monks however do not have the right to vote. Members of certain ethnic minorities (such as the hill-tribes in northern Thailand) are also deprived of their right to vote due to not being acknowledged Thai citizens. Similar restrictions

*Free and Fair Elections*

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also apply to the right to stand for election: Government officials for example are generally excluded.

In addition, the constitution of 2007 newly introduced the undemocratic provision of an only half-elected Senate – the other half of the Senate members is appointed by a special committee. The right to run for office is also constrained: Only citizens with a Bachelor's degree or higher may stand for election. This excludes about 95 percent of the population.

Political pluralism and political participation are largely unrestricted. A host of NGOs addresses the interests of farmers, women, students, and workers. However, reports suggest that NGOs working on sensitive political subjects face harassment.

The army - though not vested with any constitutional or electoral mandate - is a political heavyweight and certainly qualifies as an undemocratic veto player. The clout of the army became obvious on several occasions during the last years. In late 2008, it refused to disperse protesters of the People's Alliance for Democracy (PAD), a royalist political group, who had hi-jacked Bangkok's two airports and the Government House to oust then-PM Samak Sundaravej (an ally of ex-PM Thaksin). By contrast, in 2010, during the anti-government protests of the United Front for Democracy against Dictatorship (UDD), Thailand's rowdy Thaksin supporters, the army intervened on request of Prime Minister Abhisit Vejjajiva. This shows that not every Thai government can rely on the armed forces to follow orders. It will meddle in politics if (it thinks it is) necessary, regardless of its constitutional mandate (or lack thereof).

A great diversity of media, including radio, television, newspapers, and internet forums, makes up one of the most developed media structures in all of Asia. But the press freedom is restricted, Reporters Sans Frontières ranked Thailand number 130 of 175 surveyed countries in its last ranking.

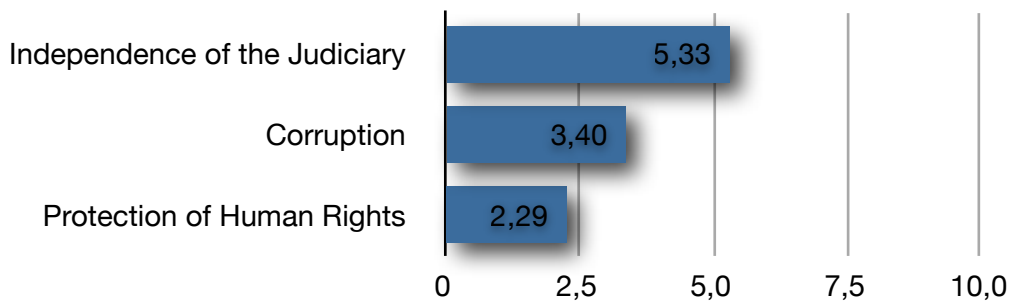
Strict lèse-majesté laws forbid any criticism or sign of disrespect towards the royal family. Actions that (are perceived to) violate these laws are rigorously punished. In 2009, the lèse-majesté laws were used by the authorities to target scholars, activists, and journalists who had criticised the

*Absence of  
Unconstitutional Veto  
Players*

*Press Freedom*

government. The six main television stations and all radio frequencies are controlled by the government or the army. Moreover, the clashes between “red shirts” and “yellow shirts” (the UDD and the PAD respectively) had a huge impact on the freedom of the press: The government tried at several occasions to shut down all broadcasting stations that had shown sympathy for the UDD protesters.

## B. Rule of Law



The 2007 constitution restored judicial independence and an independent constitutional court. The latter delivered highly political judgments in 2008: It ruled two prime ministers (Samak Sundaravej and Somchai Wongsawat) out of office and dissolved the then governing People’s Power Party, a reincarnation of Thaksin’s Thai Rak Thai party, on charges of electoral fraud. This paved the way for the Democrat Party (DP) to rise to power. The DP was accused of financial irregularities but the case was dropped in December 2010 due to procedural mistakes.

Apart from political cases, the judiciary seems to be sufficiently independent and well-balanced, though bribery remains a problem.

Corruption permeates all levels of Thai society. The most common forms of corruption include bribery, nepotism and conflicts of interest. There are several state agencies dedicated to fight all types of corruption. The National Corruption Commission for example was first established under the 1997 constitution and given the power to independently investigate and prosecute. It was then re-established under the 2007 constitution and, in cases that involve politicians or state officials, its powers have even been broadened. These efforts however have so far proved largely ineffective. The latest

*Independence of the Judiciary*

*Corruption*

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Transparency International Corruption Perception Index ranks Thailand 84 of 180 countries, corruption therefore remains at rather high levels.

Regarding the legal framework, nearly all conditions are met: Thailand is party to the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and accepts the Universal Declaration of Human Rights as international customary law. Thailand is not, however, party to the Convention Relating to the Status of Refugees.

### *Human Rights*

Things are different in practice though. Occurrences of arbitrary arrest and detention are not unheard of, and undue delays between arrest and trial of a suspect do happen. The presumption of innocence until proven guilty also does not always apply. The death penalty exists which is regrettable from our liberal point of view. Ethnic minorities are not sufficiently protected. People in border areas, especially ethnic Cambodians, Burmese, Lao and Malay, are often discriminated against. Members of the hill-tribes in the northern regions are denied Thai citizenship and a proper education. The Thai government has repatriated refugees from Myanmar and Laos despite their status and occasionally prevented the UNHCR from processing fugitives.

### C. Economic Freedom



Private property is generally adequately protected but the legal process can be lengthy and judgements are often influenced by illegal means. The protection of intellectual property is

### *Security of Property Rights*

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deficient. Despite the efforts of the Central Intellectual Property and International Trade Court, product piracy is vibrant. Another concern is that the government may disclose trade secrets to protect any public interest that has no commercial objective. It is questionable to which extent the related data is protected against unfair use.

Government spending (which includes consumption and transfer payments) is low, equaling about 18.4 percent of the GDP. Interventions by the government have brought setbacks to privatisation.

### *Size of Government*

At 37 percent, Thailand has a rather high top income tax rate. Equaling 30 percent, the corporate tax rate is on a comparatively average level. Other taxes include a VAT and a property tax. Overall tax revenue is about 16.2 percent of the GDP.

14 commercial banks - two of them owned by the government - operated in Thailand in 2009. Capital markets are well developed, the stock exchange is vibrant and open to foreign investors. Credit is usually given on market terms.

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

The freedom to start, run, and close a business is well protected. Starting a business takes 32 days (the world average is 35 days), getting a business license takes less than the world average of 18 procedures and 218 days. Declaring bankruptcy is an uncomplicated process.

Labour regulations are flexible. The non-salary cost of a worker is low, firing an employee is easy. Regulations on working hours are business-friendly.

Thailand's weighted average tariff rate is about 4.6 percent. Beginning under the Thaksin administration and under pressure by IMF and WTO, Thailand took steps to liberalise its foreign trade. A founding member of the ASEAN Free Trade Area, Thailand has negotiated FTAs with Australia, China, India, Japan, and New Zealand. However, since the 2006 coup, the dismantling of certain trade barriers has come to a stop. As of now, prohibitive tariffs, import bans and restrictions, opaque customs valuations, and weak enforcement of intellectual property rights pose an obstacle to international trade.

### *Freedom to Trade Internationally*

# Vietnam

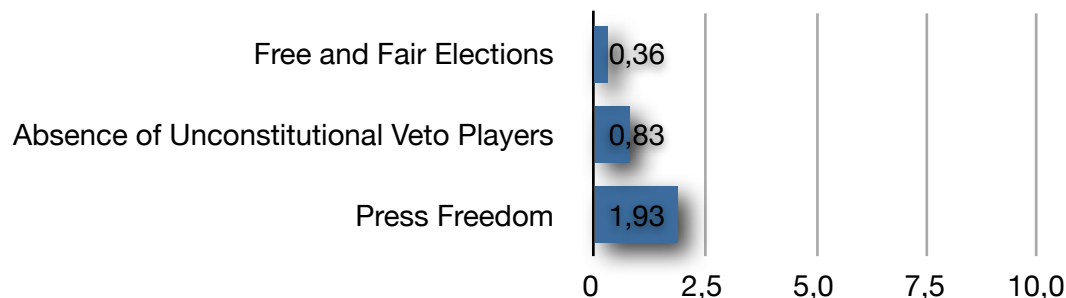
Score: 39.97

## Quick Facts

<i>Population:</i> 85.2 million	<i>GDP:</i> USD 256.9 billion	<i>Unemployment rate:</i> 6.5%
<i>Population growth:</i> 1.2%	<i>growth rate:</i> 5.3%	<i>Pop. below pov. line:</i> 12.3%
<i>Labour force:</i> 48.26 million	<i>per capita:</i> USD 2,600	<i>HDI:</i> 0.73
<i>by occupation:</i> agric. 51.8% industry 15.4% services 32.7%	<i>by sector:</i> agriculture 21.3% industry 40% services 38.7%	<i>HDI rank:</i> 116 (of 182)

Sources: CIA World Factbook; UNDP Human Development Report 2009; The World Bank World Development Indicators 2009;

## A. Political Freedom



There is only one legal political party in Vietnam: The Communist Party of Vietnam (CPV) which holds all the power. There are no democratic multi-party elections both on the national level and on local levels. Elections for the National Assembly (NA) have been held in 2007 but the CPV was the only party to contest. This illustrates the range of political participation and pluralism in Vietnam: There is practically none. The NA is completely controlled by the CPV. The government policy is determined by the politburo – the executive branch of the party. Taking all this into consideration, Vietnam cannot even remotely be considered an electoral democracy: The most basic principle of any

*Free and Fair Elections*

democratic system – free and fair elections - is not implemented.

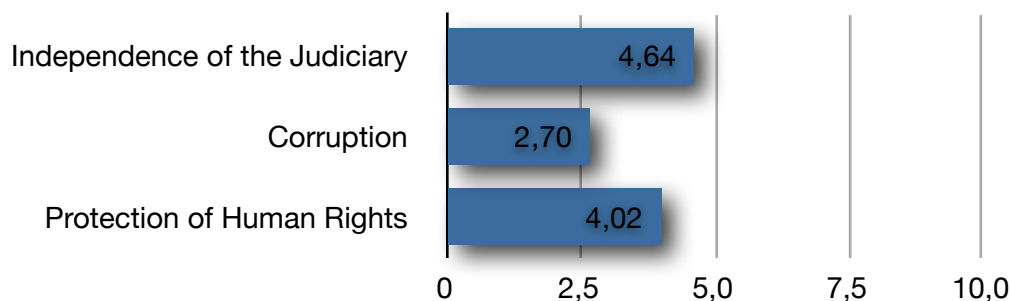
There are no veto players of any kind the in the political system of Vietnam. All power is centred in the hands of the CPV. Nevertheless, governance follows a legal-bureaucratic rule instead of a despotic one. All policies are entirely determined – directly or indirectly – by the CPV.

### *Absence of Unconstitutional Veto Players*

Press freedom is heavily restricted in Vietnam: Critics of the government are systematically silenced either by court orders or by other means of harassment. Tolerance of criticism towards the government has even decreased during 2008 and 2009. Foreign journalists require a government permit to travel to places other than Hanoi. Satellite television is officially reserved for senior party officials, international hotels and foreign businesses, but many homes are equipped with satellite dishes nonetheless. All print media and broadcasting stations are tightly controlled by the government. Internet access is restricted through legal as well as technical means - emails with content critical of the government are banned. The situation of political bloggers is also rather precarious: They face long prison sentences if not even the death penalty. Reporters Without Borders ranks Vietnam number 166 of 175 countries.

### *Press Freedom*

## B. Rule of Law



Courts are only partially independent, the CPV has significant influence on the judicial branch on all levels. Lawyers are often reluctant to accept sensitive cases involving human rights or the freedom of press/speech because they fear harassment by

### *Independence of the Judiciary*

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the state. Moreover, the judicial branch in general lacks transparency as well as consistency and efficiency. However, the situation of the courts – as deficient as it may seem – has improved during the last years. Wages have been increased and a judicial reform has done its part to improve the independence of judges.

Fighting corruption is a major challenge for the Vietnamese government. The public has become increasingly aware of this problem and discontent grows. In 2008, the government approved of a new strategy to abolish the causes of corruption until 2020 which is a rather ambitious goal. Moreover, Vietnam signed the UN Convention Against Corruption. Despite these developments, corruption remains a widespread problem in Vietnam and many officials abuse their positions for their private benefit. The Corruption Perceptions Index by Transparency International ranks Vietnam 120 out of 180 surveyed countries in 2009.

### *Corruption*

The protection of human rights in Vietnam is a critical issue. For one, human rights organisations are generally banned. Pro-democracy activists are considered dissidents and risk long prison sentences. Even though the government has allowed more religious groups to practice their belief freely, there are still churches not sanctioned by the government. They experience discrimination and harassment. Another major issue is the death penalty: In November 2009 the Ministry of Justice proposed a motion to reduce the number of capital offences from 29 to 12 – the NA however rejected this proposal, claiming that the death penalty was still necessary to prevent widespread serious crime. According to Amnesty International, 59 people were sentenced to death in 2009 and 19 executions were carried out. Vietnam only reaches a relatively low score in this section: Although the country is party to several UN human rights conventions this cannot hide the fact that human rights violations occur frequently.

### *Human Rights*

### C. Economic Freedom



Until recently, the protection of property rights in Vietnam was rudimentary at best. Contracts were weakly enforced and dispute settlement could take years. Ultimate owner of all land was the state. However, in 2003 a new land law brought some changes: Foreign land title holders can now engage in real-estate deals and foreign investors can lease land for terms of 50-70 years which are renewable. Since 2009 foreigners who meet certain criteria can own apartments.

*Security of Property Rights*

An intellectual property law covering - among other things - copyrights and industrial property was enacted in line with Vietnam's bid to enter the WTO. But intellectual property is often infringed upon and weakly enforced.

At 29.8 percent of the GDP, government expenditures are moderate. The last years saw a rather slow progress in privatisation and the restructuring of state-owned enterprises. Tax reforms in 2009 led to decrease of both top income and top corporate tax rate to 35 percent and 25 percent respectively. Other taxes include a value added tax (VAT) and a tax on property transfer. The overall tax revenue equals 23.2 percent of the GDP.

*Size of Government*

The financial sector is underdeveloped and suffers from a high degree of state involvement. Government policy determines money lending which is mostly done by four big state-owned banks. In 2008 four foreign banks were granted permission to start operations in Vietnam.

*Regulation of Credit, Labour, and Business*

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Starting, operating, and closing a business is subject to a multitude of regulations. It takes 50 days to start a business which is 15 days more than the world average. Obtaining a business license requires less than the world average of 18 procedures and 218 days. Bankruptcy procedures are slow and complicated.

Labour regulations are inflexible. The non-salary cost of hiring a worker is moderate but firing an employee is difficult. Recent worker unrest has led to an increase of minimum wages.

Since the 1980s the government has taken steps to liberalize trade. This process was marked by several events: Vietnam's entry into the Association of South East Asian Nations (ASEAN) in 1995; its entry into the Asia-Pacific Economic Cooperation (APEC) in 1998; the conclusion of a bilateral trade agreement with the USA in 2000 which granted Vietnam favoured nation status; and its entry into the WTO in 2007. ASEAN-membership has resulted in a sharp reduction of tariffs on imports from other member countries.

But despite these developments international trade still suffers from import bans and restrictions on some products; import taxes and licensing requirements; opaque regulations; inadequate enforcement of intellectual property rights; corruption; and customs inconsistencies.

*Freedom to Trade  
Internationally*

# China

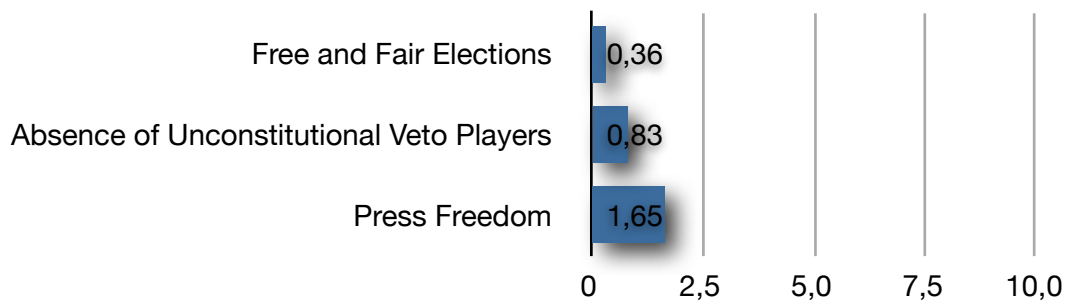
Score: 36.61

## Quick Facts

<i>Population:</i> 1.33 billion	<i>GDP:</i> USD 9.85 trillion	<i>Unemployment rate:</i> 4.3%
<i>Population growth:</i> 0.94%	<i>growth rate:</i> 10.1%	<i>Pop. below pov. line:</i> 2.8%
<i>Labour force:</i> 819.5 million	<i>per capita:</i> USD 7,400	<i>HDI:</i> 0.663
<i>by occupation:</i> agric. 39.5% industry 27.2% services 33.2%	<i>by sector:</i> agriculture 9.6% industry 46.8% services 43.6%	<i>HDI rank:</i> 89 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Direct elections are held only on district and municipal levels. There are no general elections on the national level. Instead, the national legislative body (the National People's Congress; NCP) is elected by the sub-national congresses. By and large, the NCP is a symbolic body that serves to approve legislation proposed by the Chinese Communist Party (CCP). Elections on local levels lack significance as candidates are usually pre-selected and approved by the CCP. There have been only a few cases where self-nominated candidates have been elected. To deal with increasing public discontent over corruption, party secretaries were put to public vote in some areas. This suggests a marginal opening of the electoral process on local levels in

### *Free and Fair Elections*

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some districts. Despite this, China cannot be classified an electoral democracy.

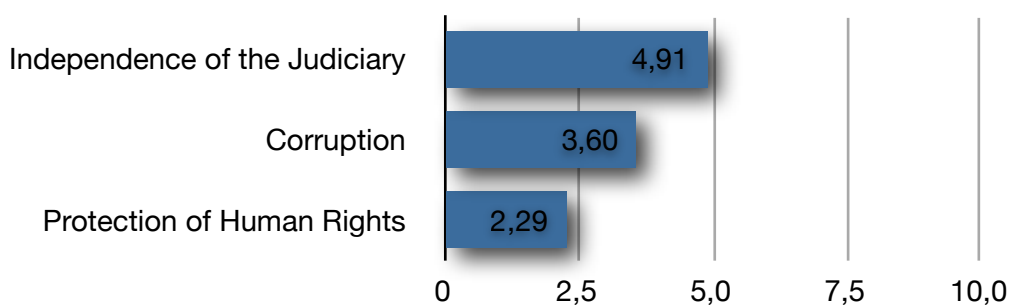
Even though the NCP is formally the highest legislative body of the People's Republic of China (PRC), the political process remains largely dominated by the CCP. All important officials have been promoted or appointed to their positions by senior party members. All power is concentrated in the hands of the CCP – there is no force to challenge it. Factual power therefore does not lie with the elected legislative body but with the CCP. Even if the elections themselves are nothing but a farce they are rendered even more meaningless by this practice. So the CCP is not only the sole but also a very powerful veto player in the Chinese political system. The low score China achieves in this section reflects this.

*Absence of  
Unconstitutional Veto  
Players*

Even though constitutionally granted, the freedom of press and expression is tightly restricted. Severe pressure from government officials means that journalists either have to stick to the official view or risk getting fired or even imprisoned. But the increasing spread of modern technologies such as mobile phones and the internet has made it easier for the people to express their views and raise public awareness on sensitive subjects. The government in turn has quickly adjusted to this new challenge and developed various ways of controlling all means of electronic communication. Overall, the media in China remains heavily censored and under strict control of the government.

*Press Freedom*

## B. Rule of Law



Courts in China are still not politically independent. But the situation has improved over the last years. In some instances,

*Independence of the  
Judiciary*

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cases filed against the government were even decided in favour of the plaintiff. Interference by the CCP has lessened but is still not completely absent. China's judicial branch remains overall comparatively weak as it suffers from poorly trained judges and attorneys. Another severe flaw is corruption which is rather widespread in the judicial branch – judges therefore often tend not to be as impartial as they should be. Nevertheless, some significant improvements over the past years have been made which explains why China achieved an average score.

There are laws that target corruption but they remain fairly ineffective. One of the reasons for the poor implementation of these laws is that cases relating to corruption are often not tried by the judicial branch but instead by CCP disciplinary organs. Consequently, high-ranking officials are often not brought to justice. Only few cases are made public and serve as show trials to demonstrate the CCP's determination to fight corruption. Things are somewhat different on local levels: Party officials at least sometimes face official trials and are subsequently punished. Especially economic sectors with a high degree of state involvement are prone to corrupt practices and China still does not have an independent anti-corruption agency.

China is party to the UN's International Covenant on Civil and Political Rights as well as to the Covenant on Economic, Social and Cultural Rights. But the former has not yet been ratified. Moreover, the PRC also declared its acceptance of the Universal Declaration of Human Rights. Despite these supposedly positive facts, China does not respect human rights. For one, there is still the death penalty: No less than 65 crimes are charged with the death penalty – including some non-violent offences. The number of executions in 2009 was estimated to be around 5,000. Furthermore, there are numerous reports of unlawful and arbitrary detention, torture, forced relocations and discrimination against ethnic or religious minorities. The government systematically campaigns against human rights activists and lawyers in an effort to publicly discredit them. So despite the formal efforts the government undertook by signing several UN covenants, the score that China achieves is only low.

### *Corruption*

### *Human Rights*

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## C. Economic Freedom



In October 2007, China's first private property laws came into force. Individuals and companies can own structures and personal property. The ultimate owner of land is the state which means that land tenure can only be obtained via long-term leases. However, property protection is weak. Corrupt local officials often (and with impunity) illegally seize land. Estimates put the number of affected peasants at about 40 million.

### *Security of Property Rights*

Intellectual property is not properly enforced. Copyrights and patents, brand names, trademarks, and trade secrets are frequently stolen. A weak judicial system results in affected companies often resorting to arbitration.

China's government expenditures (which include consumption and transfer payments) are rather low. Government spending reaches about 20 percent of the GDP. State ownership prevails in most economic sectors.

### *Size of Government*

China has a high income tax rate of 45 percent. But the corporate tax rate of 25 percent is moderate. Other taxes include a value added tax (VAT) and a real estate tax. The overall tax revenue amounts to 18 percent of the GDP.

Starting a business takes 38 days (according to World Bank data) which is about world average. But the freedom to establish and run a business is hindered by China's regulatory environment and the fact that there is no legal and regulatory openness.

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

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Labour regulations prove to be an obstacle to overall employment and productivity growth. The non-salary cost of employees is high, dismissing a worker often requires prior consultation with the responsible labour bureau or union.

China's financial system is largely controlled by the government. There are only two private banks, four state-owned institutions control over 50 percent of assets. The state determines the allocation of credit which results in state-owned enterprises being the primary benefactors.

China's entry into the WTO has freed international trade. The level of government interventions and import barriers have decreased and average tariff rates lowered to less than ten percent. Furthermore, China has entered in bilateral and regional free trade agreements (FTAs), for example the ASEAN-China FTA which created the world's largest trading bloc with nearly two billion people.

But export barriers are still an obstacle. Furthermore, some restrictions such as prohibitions and licensing requirements are still in effect. Import/export bans, complicated regulations and standards, and a corrupt customs administration add to the cost of international trade.

*Freedom to Trade  
Internationally*

# Cambodia

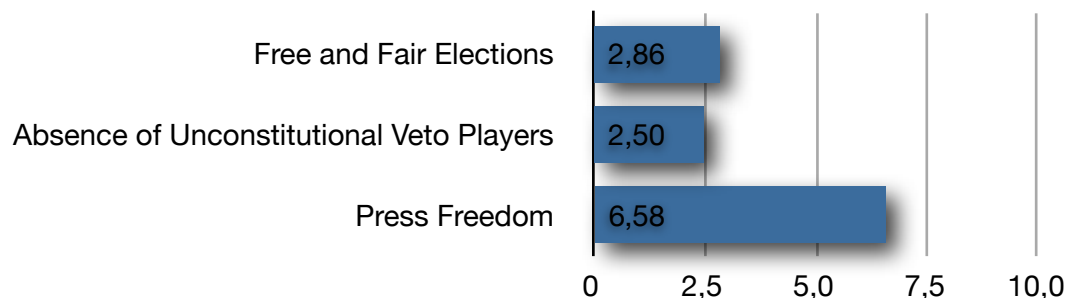
Score: 18.07

## Quick Facts

<i>Population:</i> 14.45 million	<i>GDP:</i> USD 29.46 billion	<i>Unemployment rate:</i> 3.5%
<i>Population growth:</i> 1.7%	<i>growth rate:</i> 4.1%	<i>Pop. below pov. line:</i> 31%
<i>Labour force:</i> 8 million	<i>per capita:</i> USD 2,000	<i>HDI:</i> 0.494
<i>by occupation:</i> agric. 67.9% industry 12.7% services 19.5%	<i>by sector:</i> agriculture 29% industry 30% services 41%	<i>HDI rank:</i> 124 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



There are concerns regarding the relevance of the electoral process in Cambodia. The constitution and corresponding laws provide for free and fair elections - at least in theory. Things are different in practice, though. The last parliamentary elections took place in 2008. In comparison to earlier polls (especially those in 2003), there was only little pre-electoral violence. Fewer cases of vote-buying and intimidation occurred, and international observers stated that some progress could be noted. However, it is worrying that some of the irregularities were allegedly perpetrated by Prime Minister Hun Sen's Cambodian People's Party (CPP) which dominates the country's political scene. Evidence suggests that the CPP successfully bought and/or intimidated competitors.

### *Free and Fair Elections*

Political pluralism and participation is almost non-existent: By means of repression and threat, the CPP managed to establish a quasi one-party system. The only opposition party is the Sam-Rainsy-Party (SRP) whose leader lives in exile. Cambodians enjoy only little space to take part in politics.

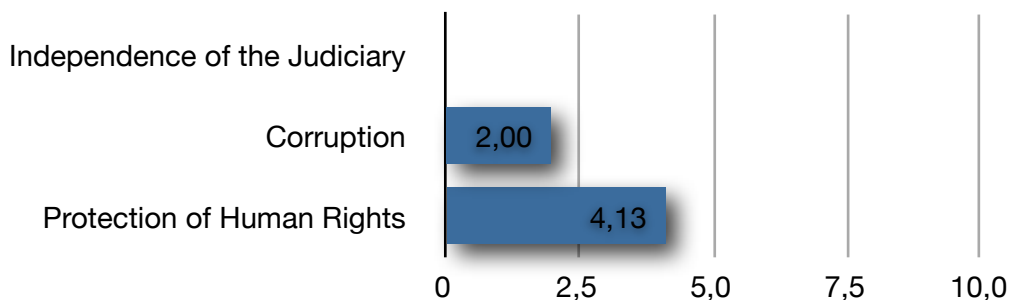
The power of the Cambodian government remains largely unchallenged, there are no veto powers that pose a threat. Civilian control over the military and the security forces has officially been established. By constitutional standards there are no veto players in the political system of Cambodia. However, the Cambodian constitution does not comply with democratic standards, and government officials are not necessarily accountable to the public. This explains why Cambodia scores relatively low in this section even though there are no noteworthy veto players.

*Absence of  
Unconstitutional Veto  
Players*

The freedom of press, speech and expression in Cambodia is restricted. Governmental control of the media focuses on national broadcasting stations as they are a major source of information for most Cambodians. Satellite-dishes are tolerated though, and make it possible to receive uncensored information from abroad. Newspapers and other print media enjoy limited freedom to criticise the government. But this is not due to restraint by the authorities but rather the limited range of print media. (They reach only about 10 percent of the population.) The internet is generally free from governmental control but only few people have access.

*Press Freedom*

**B. Rule of Law**



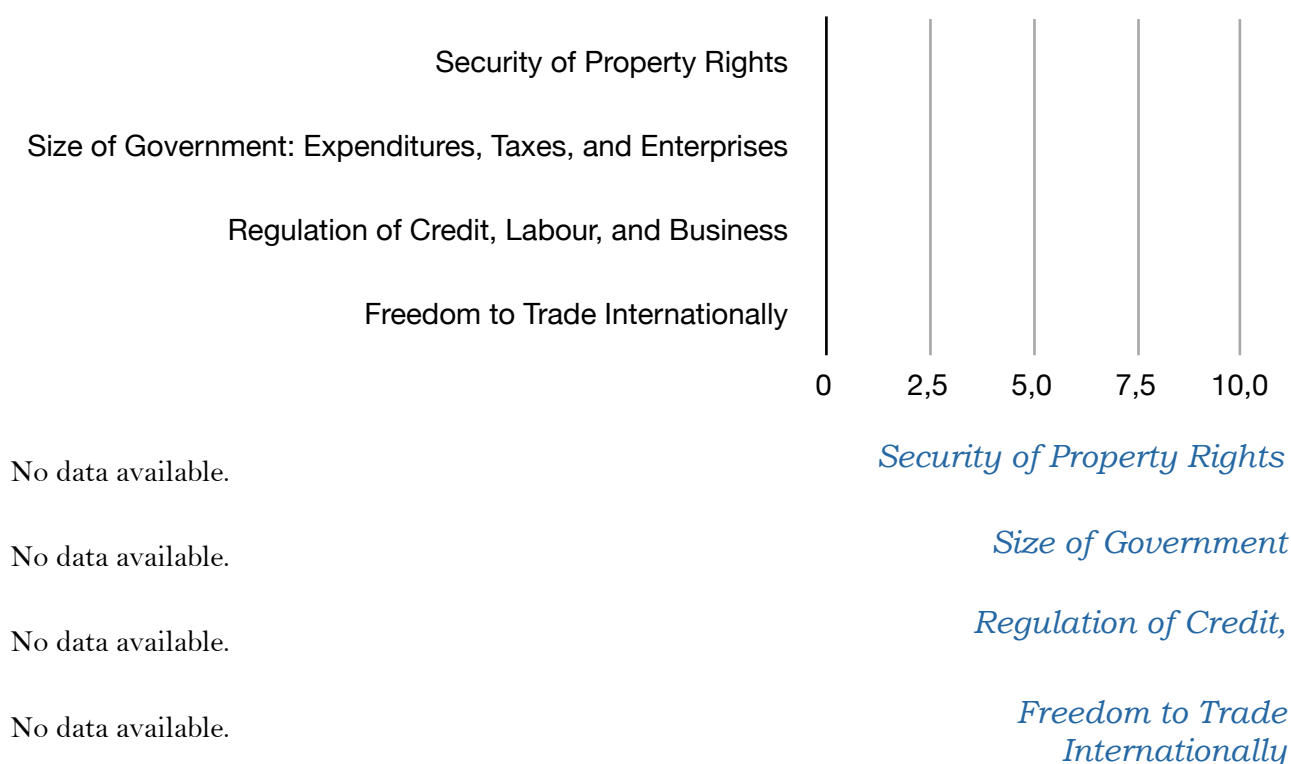
No data available.

*Independence of the  
Judiciary*

Corruption is quite a serious problem and threatens to hinder social and economic development and stability. Many high-ranking officials abuse their power for private benefit. This is also true for the judicial branch: Courts are not always independent and impartial. Corruption also poses a major threat to the process of democratisation. The current Corruption Perceptions Index by Transparency International ranks Cambodia only number 158 of 180 surveyed countries which emphasises the severity of this particular problem.

On the positive side, it has to be acknowledged that Cambodia abolished death penalty several years ago. But the situation of human rights in Cambodia deteriorated in 2009 when conflicts between government and opposition aggravated. Forced dislocation and land grabbing occur regularly and are one of the major human rights problems in Cambodia. Another critical subject is inequality between the genders. Even though the constitution grants equal treatment, the situation of women is problematic: Social and economic discrimination is commonplace. Domestic violence - such as beatings and rapes - occur frequently and go unpunished in most cases.

### C. Economic Freedom



# Brunei

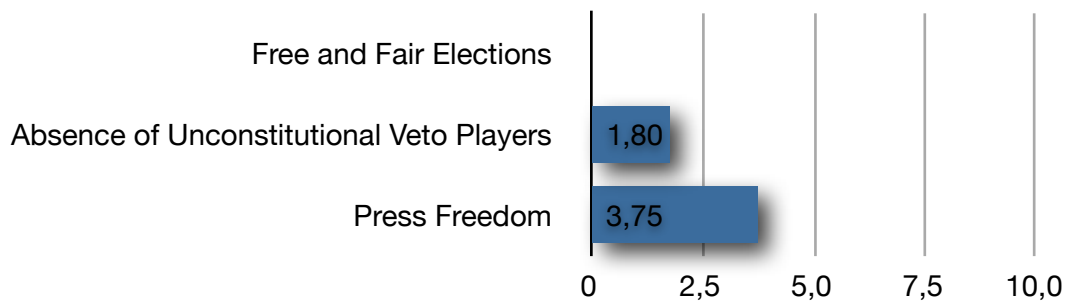
Score: 16.22

## Quick Facts

<i>Population:</i> 395,000	<i>GDP:</i> USD 19.88 billion	<i>Unemployment rate:</i> 3.7%
<i>Population growth:</i> 1.73%	<i>growth rate:</i> 1%	<i>Pop. below pov. line:</i> n.a.
<i>Labour force:</i> 188,800	<i>per capita:</i> USD 50,300	<i>HDI:</i> 0.805
<i>by occupation:</i> agric. 4.2% industry 62.8% services 33%	<i>by sector:</i> agriculture 0.7% industry 74.1% services 25.3%	<i>HDI rank:</i> 10 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



There have been no elections in Brunei for almost 50 years. The last polls in 1962 were won by the leftist Brunei People's Party that sought to abolish the monarchy. The Sultan nullified the elections and declared a state of emergency that has not been lifted ever since. Legislative elections are not expected to happen anytime soon. Brunei remains under the absolute rule of the Sultan and his family, as well as some appointees. Despite this, demands for political reform are low: The country's rich oil and gas reserves mean that the government can sustain a high employment-rate and grant other benefits (such as the absence of an income-tax), therefore keeping the population content.

*Free and Fair Elections*

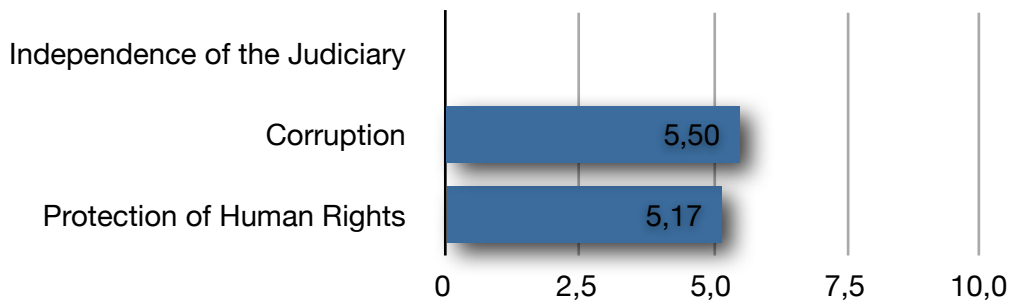
There are no veto players of any kind in the political system of Brunei as the Sultan is the only and absolute ruler. The space for political pluralism and participation is limited at best. In 2007 and 2008 two of the country's three political parties were disbanded. The sole remaining party is the National Development Party which swore loyalty to the Sultan. Beside these very restricted opportunities there are no means of political participation which is why the score achieved in this section is only low.

*Absence of  
Unconstitutional Veto  
Players*

Press freedom is subject to considerable restrictions. A law, introduced in 2001, allows officials to shut down newspapers and to fine journalists whose publications are considered to be "false and malicious". Moreover, it is forbidden to criticise the Sultan and the national ideology. The only national TV station is run by the state. Brunei residents can receive Malaysian broadcasts though. Access to the internet is relatively unrestricted but content perceived to be subversive may not be published online. Reporters Without Borders positions Brunei in its most recent ranking number 155 out of 175.

*Press Freedom*

**B. Rule of Law**



No data available.

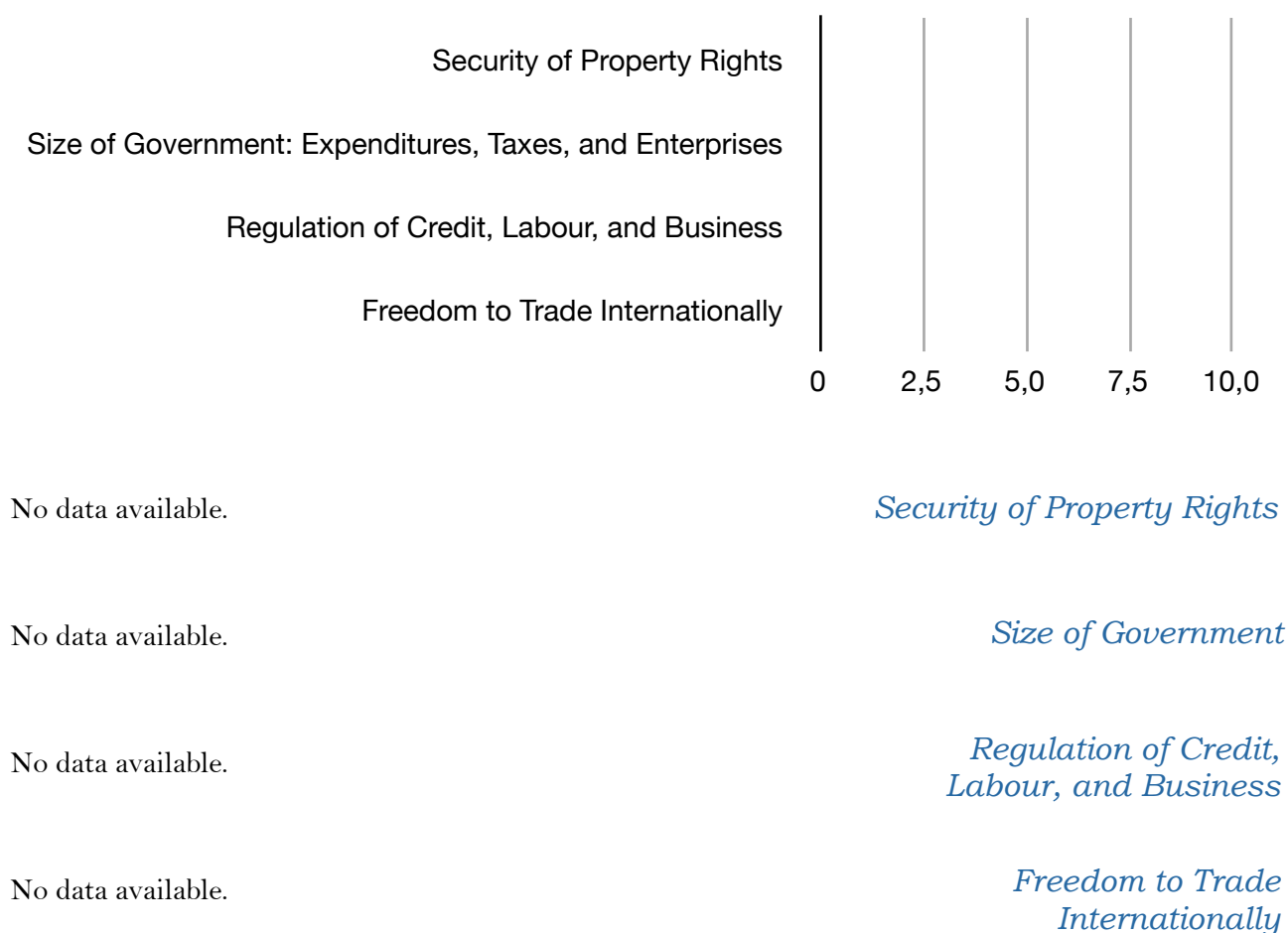
*Independence of the  
Judiciary*

*Corruption*

The Sultan of Brunei claims to be tough on any kind of corruption. There is also an anti-corruption bureau which has recently made efforts to cooperate with the ministry of education as well as with several regional partners. The current ranking of Transparency International places Brunei number 39 out of 180 which is a respectable result considering that Brunei is not a democracy.

The protection of human rights in Brunei is largely respected. There are no reported cases of forced labor, arbitrary arrest, or discrimination against people due to their race, religion or belief. But the situation is problematic for stateless people, as Brunei does not grant them the full rights and liberties of citizens. Migrant workers are not protected by the labor laws and there are sometimes differences in the treatment of men and women – particularly when it comes to areas of life that are dominated by Islam. The death penalty still exists in Brunei, but it is rarely imposed and has not been executed for a long time. These aspects explain why the score Brunei achieves in this section is average: The situation of human rights in Brunei is far better than in many other countries of this region yet there are still major flaws such as the existence of the death penalty.

### C. Economic Freedom



# Myanmar

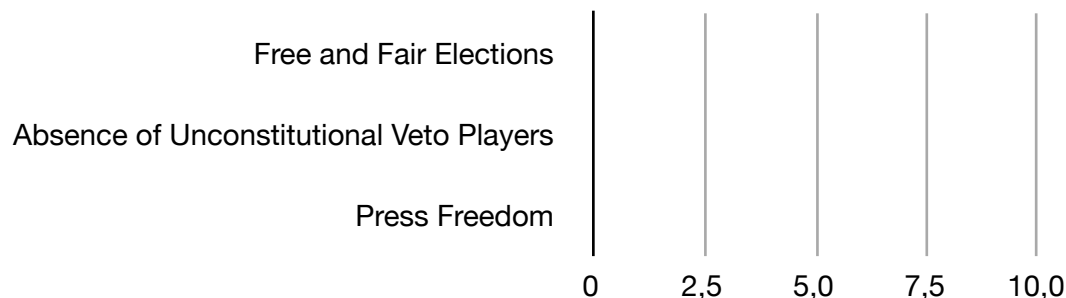
Score: 14.89

## Quick Facts

<i>Population:</i> 53.41 million	<i>GDP:</i> USD 60.07 billion	<i>Unemployment rate:</i> 5.7%
<i>Population growth:</i> 1.1%	<i>growth rate:</i> 3.1%	<i>Pop. below pov. line:</i> 32.7%
<i>Labour force:</i> 31.68 million	<i>per capita:</i> USD 1,100	<i>HDI:</i> 0.451
<i>by occupation:</i> agric. 70% industry 7% services 23%	<i>by sector:</i> agriculture 43.2% industry 20% services 36.8%	<i>HDI rank:</i> 132 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



No free and fair elections have been held since 1990. At that time, Aung San Suu Kyi's National League for Democracy (NLD) won 392 of 485 parliamentary seats. But the ruling military junta refused to acknowledge the result of the election and stayed in power. Numerous members of the NLD were sent to prison and the army tightened its grip on power. Myanmar's dictator, General Than Shwe, announced that elections were to be held in November 2010. But how free and fair these elections will be remains to be seen. There's only little space for political participation and pluralism. Most social movements and organisations are either under (indirect) influence of the army or at least under supervision.

*Free and Fair Elections*

Criticism of the regime leads to imprisonment. In 2007, the largest anti-government protests in 20 years broke out. The regime responded by cracking down on the peaceful protesters (which also included a considerable number of Buddhist monks), and at least 31 people were killed.

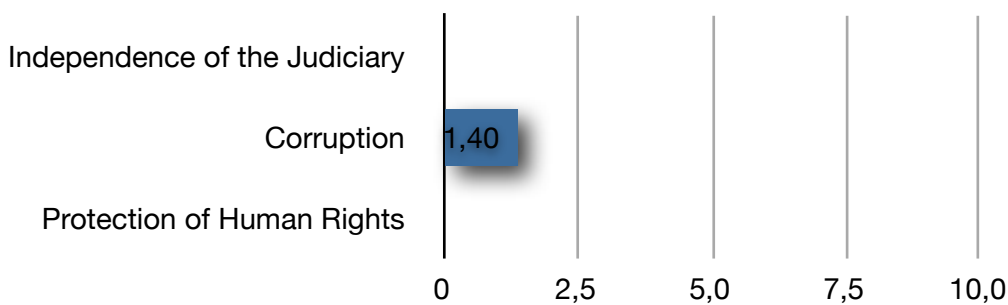
There are no veto players in the political system of Myanmar – the army strictly monitors all political activities and is in complete and unchallenged control. Myanmar achieves a score of 0.00 in this section. At first thought, this may be misleading as a low score actually implies a strong presence of unconstitutional veto players. However, since Myanmar is far from being a democratic country, a high score would in turn lead to a wrong overall result.

*Absence of  
Unconstitutional Veto  
Players*

There is no such thing as press freedom, or more broadly, freedom of opinion and expression in Myanmar. The military regime owns or controls all the press and broadcasting media in the country. All private publications are censored as well. Access to the internet is heavily restricted and internet cafés are monitored. Bloggers that express any criticism towards the regime risk long prison sentences. Moreover, the military junta impedes the import of foreign news sources.

*Press Freedom*

## B. Rule of Law



No data available.

*Independence of the  
Judiciary*

Corruption is part of day-to-day business in Myanmar: Officeholders often abuse their positions for private benefits. Especially the judicial branch and the bureaucracy are affected. The government makes no serious efforts to fight corruption

*Corruption*

and officials do not have to fear prosecution. There are however no reliable facts on the true extent of corruption due to the repressive nature of the regime. Transparency International ranks Myanmar number 178 out of 180 countries in its Corruption Perceptions Index 2009 which emphasises the severity of this problem.

The situation of human rights in Myanmar is abysmal: According to a 2009 Human Rights Watch report, about 2,100 persons are imprisoned for political reasons. Any individual can be jailed for being (allegedly) disloyal to the regime. Forced labour, child labour (children are often forcibly recruited as soldiers) and the displacement of whole villages happen on a frequent basis, especially in areas populated by ethnic minorities. The army is accused of torture, murder, rapes and arbitrary detentions. The freedom of religion is not respected either: Even though provided for in the 2008 constitution, the military junta often discriminates against Christians and other religious minorities. Summing up, there is virtually no protection of human rights in Myanmar.

*Human Rights*

C. Economic Freedom



Real estate property and intellectual property are not protected. As a consequence, there is almost no competition between economic actors. The industry is dominated by state-owned enterprises. Other businesses are more or less controlled by businessmen with ties to the army. The military junta by and large controls the economy and is able to alter property laws for its own benefits. Investors who are in conflict

*Security of Property Rights*

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with local governments or whose businesses have been illegally expropriated have little chance to get compensated.

Government expenditures (including consumption and transfer payments) are low, equalling roughly 7.2 percent of the GDP. However, this is not due to restraint by the government but rather because a general lack of capacity. The government relies on international donors to rebuild its infrastructure which was severely damaged by Cyclone Nargis in 2008.

### *Size of Government*

With top income and corporate tax rates of 30 percent, Myanmar has moderately high tax rates. The overall tax revenue equals three percent of the GDP.

Loans are predominantly directed to government projects, access to credit for private entrepreneurs is constrained. The government controls banking through five state-owned institutions. Although there are several private and some foreign banks, opaque regulations create a hostile financial climate.

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

The labour market is subject to heavy state intervention. Regulations regarding wage rates and working hours are not always observed. The army resorts to forced labour for the construction of military facilities.

Unclear laws and regulations restrict private businesses. Inconsistent law enforcement further impedes the development of the private sector.

Myanmar's foreign trade is more or less limited to the export of natural gas and agricultural products. Gas exports are managed by the army (through the Myanmar Gas and Oil Enterprise), the export of agricultural products is subject to frequent state intervention. The freedom for private entrepreneurs to engage in international trade is restricted by import/export bans and restrictions; high taxes and fees; complicated permit and licensing requirements; frequent policy changes; and corruption.

### *Freedom to Trade Internationally*

# Laos

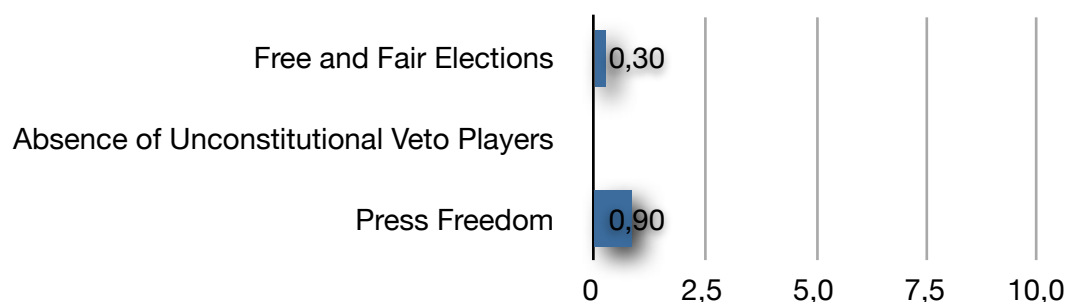
Score: 4.92

## Quick Facts

<i>Population:</i> 6,37 million	<i>GDP:</i> USD 15.42 billion	<i>Unemployment rate:</i> 2.5%
<i>Population growth:</i> 1.71%	<i>growth rate:</i> 7%	<i>Pop. below pov. line:</i> 26%
<i>Labour force:</i> 3.65 million	<i>per capita:</i> USD 2,400	<i>HDI:</i> 0.497
<i>by occupation:</i> agric. 80% industry and services 20%	<i>by sector:</i> agriculture 29.8% industry 31.7% services 38.5%	<i>HDI rank:</i> 122 (of 169)

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections are neither free nor fair. When the Lao People's Revolutionary Party (LPRP) came to power in 1975, it abolished all political parties and installed a single-party system labeled "democratic centralism". Elections for the National Assembly are held every five years but the LPRP scans all candidates closely. (Nearly all of them are members of the party anyway.) This ensures that all policy matters remain strictly under the influence of the LPRP. Voting is compulsory. The last elections were held in 2006 and the only visible sign that people expressed their will was that merely 44 of 115 deputies were re-elected. This suggests that the population was at least prepared to vote those out of office whom they believed incapable of representing their interests.

### *Free and Fair Elections*

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Regarding political participation and pluralism, a similar picture evolves: There are no political civic organisations and consequently political participation is very low in Laos. Freedom of assembly is constitutionally granted but does not exist in practice. Every formal gathering requires a permission which is hardly ever granted. All in all, the electoral system in Laos with regard to free and fair elections and political pluralism and participation can only be evaluated as defective which explains the score of 0.30 that Laos achieved in this section.

All power lies with the politburo of the LPRP. The elected members of the National Assembly are in fact powerless. Since it is the LPRP that alone exercises power, the LPRP can be considered a very strong veto player in the political system of Laos as the constitution does not provide for its strong position. Besides, the government can by no means be held accountable by the public and government actions generally are neither transparent nor open.

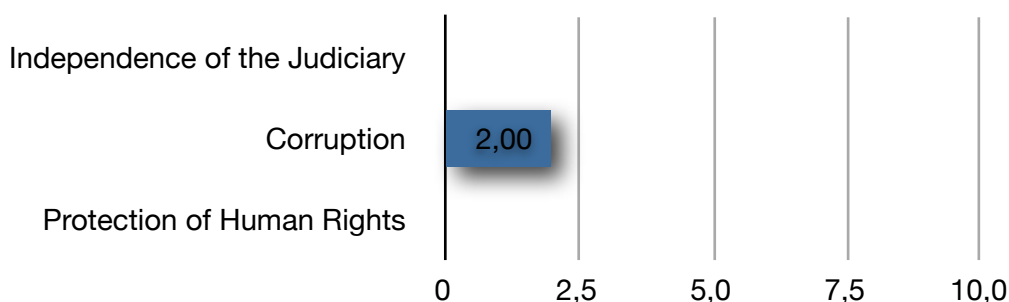
All media in Laos is strictly controlled and censored by the government. Any criticism of the government or any discussion of a controversial political subject may be severely punished. Moreover, all media (including the three national newspapers) is state-owned. The same applies to the internet: Not only is the content heavily restricted and censored, basic internet access is impossible for the majority of the population. However, people in the border regions can access foreign sources of information. Private criticism of the government is tolerated as long as it does not form part of any movement of dissent.

*Absence of  
Unconstitutional Veto  
Players*

*Press Freedom*

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## B. Rule of Law



No data available.

*Independence of the  
Judiciary*

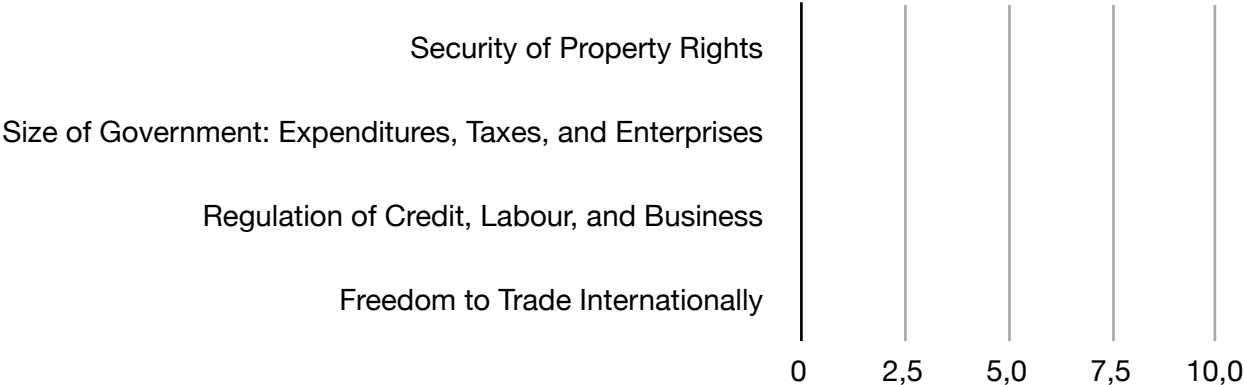
Corruption is widespread in Laos. The government regulates nearly every facet of its citizens' lives and there are countless occasions where bribing government officials is not only useful, but even necessary. Laws, some of them just recently introduced, aim to target this problem but they are hardly ever enforced. Corruption is indeed so far spread that it negatively affects the economy: A considerable amount of state resources vanishes in private pockets.

*Corruption*

The situation of human rights in Laos is precarious: Even though Laos is party to the International Covenant on Economic, Social and Cultural Rights and ratified the Covenant on Civil and Political Rights in September 2009, violations of human rights occur frequently. For example, there is no freedom of religion and belief: The Christian minority in Laos is systematically discriminated against. Scores of Christians have been detained and the government bars them from celebrating Christian holidays. Ethnic minorities, particularly the Hmong, experience similar circumstances. Gender-based discrimination is widespread and women's access to education, employment, and work benefits is usually restricted. Moreover, the death penalty still exists in Laos. It is mainly imposed on drug-related crimes.

*Human Rights*

C. Economic Freedom



No data available.

*Security of Property Rights*

No data available.

*Size of Government*

No data available.

*Regulation of Credit,  
Labour, and Business*

No data available.

*Freedom to Trade  
Internationally*

# North Korea

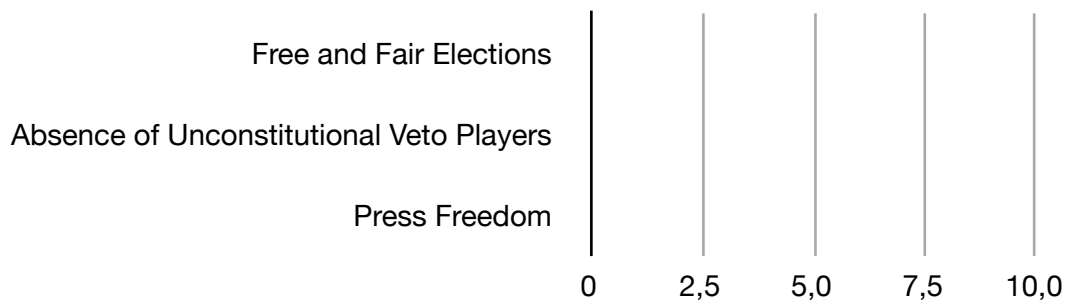
Score: 0.00

## Quick Facts

<i>Population:</i> 22.76 million	<i>GDP:</i> USD 40 billion	<i>Unemployment rate:</i> n.a.
<i>Population growth:</i> 0.39%	<i>growth rate:</i> -0.9%	<i>Pop. below pov. line:</i> n.a.
<i>Labour force:</i> 12.2 million	<i>per capita:</i> USD 1,800	<i>HDI:</i> n.a.
<i>by occupation:</i> agric. 35% industry and services 65%	<i>by sector:</i> agriculture 20.9% industry 46.9% services 32.1%	<i>HDI rank:</i> n.a.

Sources: CIA World Factbook; UNDP Human Development Report 2010;

## A. Political Freedom



Elections are generally held every five years. At national level, North Koreans elect a legislature - the Supreme People's Assembly. Additionally, people elect representatives to city, county, and provincial people's assemblies. However, the term election is misleading when it comes to North Korea's political system. Candidates for office must be a member of the „Democratic Front for the Reunification of the Fatherland“ which is a coalition of the country's three political parties. Before elections, each party may nominate candidates for office. The Democratic Front then selects a single nominee for each political post and presents the list to the voters who have the choice of voting for or against each candidate. This means that the people do not themselves chose representatives but are

*Free and Fair Elections*

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restricted to merely ratifying candidates chosen by the unelected Democratic Front. Official figures put voter turn-out and approval of candidates usually at roughly 100 percent, a fact that suggests a rather limited choice in the polling booth.

Political participation and pluralism also have a distinct North Korean touch: Besides the all-powerful Worker's Party of Korea (WPK) two other political parties exist. But they are bound by law to follow the WPK's political agenda and therefore differ in name only. Individual political participation is forced by the state as a sign of respect to the „Dear Leader“ and therefore mandatory. The refusal to participate in certain political activities is perceived as a lack of support for the government and in turn heavily punished.

Since North Korea is generally considered to be the world's most oppressive political system, there is no force challenging the government. Everything is either state-owned or state-controlled, nothing else besides exists. Therefore, the government of course holds the effective power to govern. Government policies and actions are never transparent or open and the public has no means of holding government officials accountable. This is why the score in this section is rated as 0.00: Even though there are no veto players at all in the political system of North Korea, by democratic standards this cannot be estimated a positive thing.

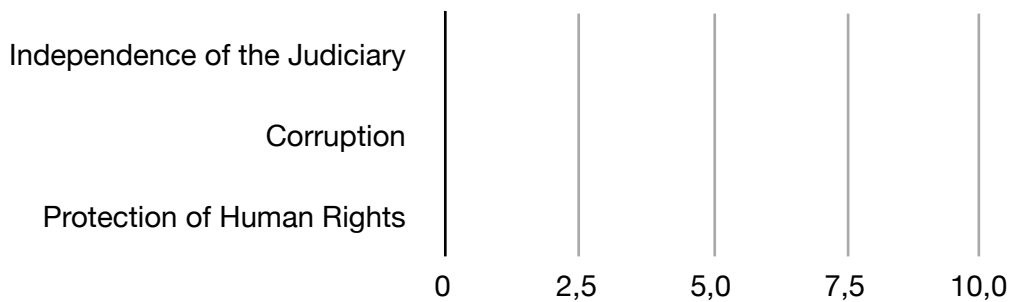
All media in North Korea is state owned, so there is absolutely no freedom of press or expression. Internet access is restricted to only a few thousand people and foreign websites are generally blocked. The only way to get information that is not controlled by the government is through the black market: Radios equipped to receive foreign broadcasts, pirated movies or mobile phones provide such alternative sources of information. Trading on the black market is very much of a risk though – people face heavy punishment if authorities become aware of such activities.

*Absence of  
Unconstitutional Veto  
Players*

*Press Freedom*

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## B. Rule of Law



No data available.

*Independence of the  
Judiciary*

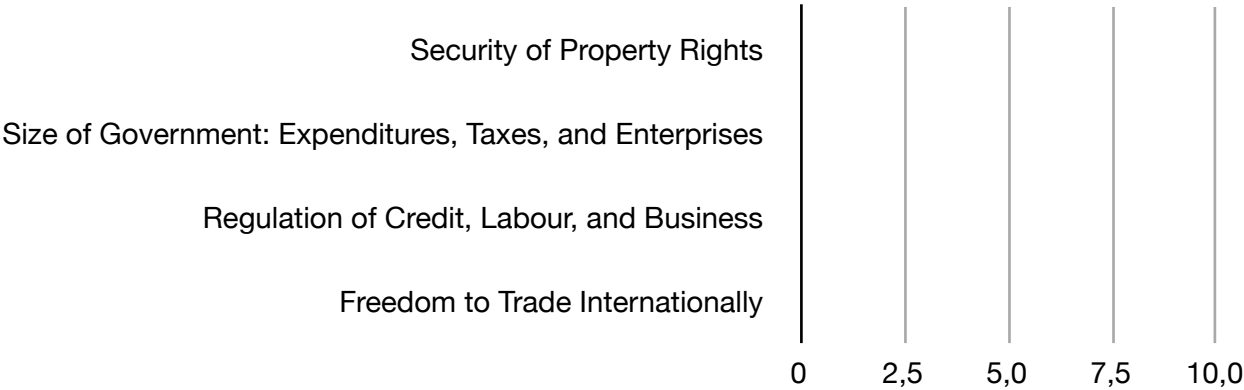
No data available.

*Corruption*

The human rights situation in North Korea is devastating. Even though the government initiated a revision of the constitution in March 2009 to stipulate that it respects and protects human rights, this step was widely perceived as being a response to international pressure without any internal consequences. Not only that the death penalty is still in effect – executions are often held publicly and people are forced to attend. Unlawful detentions and torture are also common practices. People considered to be political dissidents are sent to special detention centres for re-education (which in many cases equals a death sentence). Moreover, North Koreans are classified by the government according to their perceived loyalty to the regime. This classification determines every aspect of a person's life, including the access to education or health facilities, to food and employment opportunities.

*Human Rights*

C. Economic Freedom



No data available.

*Security of Property Rights*

No data available.

*Size of Government*

No data available.

*Regulation of Credit,  
Labour, and Business*

No data available.

*Freedom to Trade  
Internationally*

## Annex I - Overview

Political Freedom	NKR	LA	MYR	BRU	CAM	CH	VN	TH	PH	ML	IND	MN	SIN	SKR	TA	JAP
1. Free and fair elections	0,00	0,30	0,00	0,00	2,86	0,36	0,36	2,86	5,36	5,00	8,57	8,93	3,57	9,29	9,29	9,64
2. Absence of undemocratic veto players	0,00	0,00	0,00	1,80	2,50	0,83	0,83	3,33	5,00	5,00	5,00	8,33	5,83	8,33	8,33	8,33
3. Press freedom	0,00	0,90	0,00	3,75	6,58	1,65	1,93	5,70	6,27	5,67	7,25	7,77	5,60	8,53	8,59	9,77
<b>Rule of Law</b>																
1. Independence of the judiciary	n.a	n.a.	n.a.	n.a.	n.a.	4,91	4,64	5,33	3,56	5,34	4,72	2,56	7,99	5,13	6,02	7,49
2. Corruption	n.a	2,00	1,40	5,50	2,00	3,60	2,70	3,40	2,40	4,50	2,80	2,70	9,20	5,50	5,60	7,70
3. Human Rights	0	1,72	0,00	5,17	4,13	2,29	4,02	2,29	4,02	1,72	5,28	5,28	4,71	7,70	7,58	8,85
<b>Economic Freedom</b>																
1. Security of property rights	n.a.	n.a.	3,19	n.a.	n.a.	6,38	6,01	5,94	4,64	6,24	4,44	5,71	8,38	6,76	6,69	7,49
2. Size of Government: Expenditures, Taxes and Enterprises	n.a.	n.a.	6,33	n.a.	n.a.	3,28	6,27	7,42	7,98	5,95	7,11	7,71	8,17	6,61	6,96	6,18

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## Annex II - Methodology and Data Sources

### A. Methodology

The Freedom Barometer Asia 2010 is based on highly regarded sources. The dimensions political freedom and rule of law are based on the data from Freedom House (2010), Reporters without Borders (2009) and Transparency International (2009), the only exception being the variable „Human Rights“, where we decided to devise an evaluation mechanism of our own.

In the economic sphere, we used the data from the Economic Freedom of the World Report 2010 (data values of 2008) (see Table 2), supported by data from the Index of Economic Freedom 2010 by the Heritage Foundation, and the Bertelsmann Transformation Index 2010. We acknowledge the lack of synchronicity of our data but reckon that due to the limited overlap of some indicators, irregularities owing to time differences might be levelled out. Our aim was to use the latest data available, even if asynchronous, but we are aware of the inherent problems of this approach.

### DIMENSION I - POLITICAL FREEDOM

#### 1. Free and Fair Elections

The score of this component is based on checklist questions (A) Electoral Process and (B) Political Pluralism and Participation of the Freedom in the World Report by Freedom House. Freedom House assigns a maximum score of 12 points to checklist question (A) and a maximum of 16 points to checklist question (B), resulting in an overall maximum score of 28 points. We converted this score into our pattern of 0-10 points (10 best). *Example: Country A scores 16 out of 28 possible points in Freedom House's evaluation, which is a percentage of 57.14%. This translates into a Freedom Barometer Score of 5.71 on a 0-10 scale.*

#### 2. Absence of Unconstitutional Veto Players

This component is based on checklist question (C) Functioning of Government of the Freedom in the World Report by Freedom House. Freedom House assigns a maximum score of 12 points to this checklist question. Following the pattern described above, this is the basis for the Freedom Barometer's score.

#### 3. Press Freedom

The variable „Press Freedom“ is based on the annual Press Freedom Index by Reporters Without Borders. This index is based on a questionnaire sent to the 14 so-called freedom of expression groups, to its 130 correspondents, to reporters, researchers, jurists, and human rights activists. This opinion poll asks about the well-being of press freedom in specific countries. The question catalogue includes physical attacks, imprisonment and direct threats; indirect menaces, pressures and access to information; censorship and self-censorship; public media; economic; legal and administrative pressure as well as the internet and new media. Reporters Without Borders evaluates the respective countries on a 1-100 point scale (1 best) which we had to convert into our 0-10 scale. For the detailed conversion table, we refer to Annex III.

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## **DIMENSION II - RULE OF LAW**

### **1. Independence of the Judiciary**

Basis for our score is the Fraser Institute's Economic Freedom of the World Report 2010, subquestion (A) Judicial Independence in Area 2 - Legal Structure and Security of Property Rights. Since the Economic Freedom of the World Report follows the same scoring pattern, no conversion was needed.

### **2. Corruption**

The component „Corruption“ is based on the 2010 Corruption Perceptions Index by Transparency International. No conversion of the score was needed since the Corruption Perceptions Index follows the same pattern as the Freedom Barometer.

### **3. Human Rights**

To assess the human rights situation in the respective countries, we devised a questionnaire covering the areas „legal framework“, „legal obligations“, and „human rights observance“. The questionnaire consists of 23 checklist questions with an overall maximum of 17.6 achievable points. Following the same pattern as in (1) Free and Fair Elections we subsequently this score into our 0-10 point scale. For a detailed list of our checklist questions we would like to refer to Annex III.

## **DIMENSION III - ECONOMIC FREEDOM**

### **1. Security of Property Rights**

The source for this score is the Fraser Institute's Economic Freedom of the World Report 2010, Area 2 - Legal Structure & Security of Property Rights. Since the Economic Freedom of the World Report follows the same scoring pattern, no conversion was needed. Additional data and information was drawn from the Heritage Foundation's Index of Economic Freedom 2010, and from the Bertelsmann Transformation Index 2010.

### **2. Size of Government: Expenditures, Taxes, and Enterprises**

This score is based on the Fraser Institute's Economic Freedom of the World Report 2010, Area 1 - Size of Government. Since the Economic Freedom of the World Report follows the same scoring pattern, no conversion was needed. Additional data and information was drawn from the Heritage Foundation's Index of Economic Freedom 2010, and from the Bertelsmann Transformation Index 2010.

### **3. Regulation of Credit, Labour, and Business**

Basis was the Fraser Institute's Economic Freedom of the World Report 2010, Area 5 - Regulation of Credit, Labour, and Business. Since the Economic Freedom of the World Report follows the same scoring pattern, no conversion was needed. Additional data and information was drawn from the Heritage Foundation's Index of Economic Freedom 2010, and from the Bertelsmann Transformation Index 2010.

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#### **4. Freedom to Trade Internationally**

The source for this score is the Fraser Institute's Economic Freedom of the World Report 2010, Area 4 - Freedom to Trade Internationally. Since the Economic Freedom of the World Report follows the same scoring pattern, no conversion was needed. Additional data and information was drawn from the Heritage Foundation's Index of Economic Freedom 2010, and from the Bertelsmann Transformation Index 2010.

### **B. Data Sources**

#### **1. Freedom House**

Freedom House assesses the degree of political rights and civil liberties. It uses a checklist of 25 questions (10 political and 15 concerning civil liberties). The 10 political questions cover the following fields: Electoral Process (3 questions), Political Pluralism and Participation (4 questions), plus Functioning of Government (3 questions). The civil liberties questions are divided into Freedom of Expression and Belief (4 questions), Associational and Organizational Rights (3 questions), Rule of Law (4 questions) as well as Personal Autonomy and Individual Rights (4 questions).

Finally, a team of analysts evaluates the results and creates the scores and ratings. About one third of those analysts belongs to the Freedom House staff, the rest are specialists from academia, media, think tanks, and human rights communities.

#### **2. Reporters without Borders**

The annual Press Freedom Index is based on a questionnaire sent to the 14 so-called freedom of expression groups, to its 130 correspondents, to reporters, researchers, jurists, and human rights activists. This opinion poll asks about the well-being of press freedom in specific countries. The question catalogue includes physical attacks, imprisonment and direct threats; indirect menaces, pressures and access to information; censorship and self-censorship; public media; economic; legal and administrative pressure as well as the Internet and new media.

#### **3. Transparency International**

The Corruption Perceptions Index (CPI) 2008 aims at measuring corruption by way of assessing people's perceptions about it. It contains 13 different opinion polls and studies of eleven independent institutions. To guarantee its quality, the methodology is controlled by a board of experts, the Index Advisory Committee.

#### **4. Economic Freedom of the World**

The Fraser Institute, a liberal think-tank in Canada, together with its many partners worldwide among them also the Liberal Institute of the FNF, publishes the Economic Freedom of the World Report each year. It contains the following five components:

1. Size of government: expenditures, taxes, and enterprises;
2. Legal structure and security of property rights;
3. Access to sound money
4. Freedom to trade internationally; and
5. Regulation of credit, labour, and business

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These variables are sub-divided further, but for the purpose of our index we omitted the indicators of component 3.

### **5. The Heritage Foundation**

The Heritage Foundation, a conservative American think tank and proponent of the principles of free enterprise, limited government, and individual freedom, publishes the annual Index of Economic Freedom. To measure the degree of economic freedom in the respective countries, ten components are evaluated and rated on a 0-100 scale (100 best). The combined, averaged scores determine the overall economic freedom score.

### **6. Bertelsmann Transformation Index**

The Bertelsmann Foundation, a German think-tank, bi-annually releases the Transformation Index, a ranking of 128 countries depicting their „transformation“ to democracy and market economy. In the dimensions of democracy, market economy, and political management, the Transformation Index assesses 17 criteria divided into 52 questions and presents the data collected in two sub-indices: the Status Index and the Management Index.

## Annex III - Press Freedom Index Conversion Table

RWB	FB	RWB	FB	RWB	FB	RWB	FB	RWB	FB
1	10,00	21	8,00	41	6,00	61	4,00	81	2,00
2	9,90	22	7,90	42	5,90	62	3,90	82	1,90
3	9,80	23	7,80	43	5,80	63	3,80	83	1,80
4	9,70	24	7,70	44	5,70	64	3,70	84	1,70
5	9,60	25	7,60	45	5,60	65	3,60	85	1,60
6	9,50	26	7,50	46	5,50	66	3,50	86	1,50
7	9,40	27	7,40	47	5,40	67	3,40	87	1,40
8	9,30	28	7,30	48	5,30	68	3,30	88	1,30
9	9,20	29	7,20	49	5,20	69	3,20	89	1,20
10	9,10	30	7,10	50	5,10	70	3,10	90	1,10
11	9,00	31	7,00	51	5,00	71	3,00	91	1,00
12	8,90	32	6,90	52	4,90	72	2,90	92	0,90
13	8,80	33	6,80	53	4,80	73	2,80	93	0,80
14	8,70	34	6,70	54	4,70	74	2,70	94	0,70
15	8,60	35	6,60	55	4,60	75	2,60	95	0,60
16	8,50	36	6,50	56	4,50	76	2,50	96	0,50
17	8,40	37	6,40	57	4,40	77	2,40	97	0,40
18	8,30	38	6,30	58	4,30	78	2,30	98	0,30
19	8,20	39	6,20	59	4,20	79	2,20	99	0,20
20	8,10	40	6,10	60	4,10	80	2,10	100	0,10
								100+	0,00

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## Annex IV - Human Rights Evaluation

To evaluate the score for the variable **Human Rights**, the following set of questions was used:

### 1 Legal Framework

- 1.1 Is the country party to the Convention Relating to the Status of Refugees?
- 1.2 Is the country party to the International Covenant on Civil and Political Rights?
- 1.3 Is the country party to the International Covenant on Economic, Social, and Cultural Rights?
- 1.4 What is the country's stance towards the UDHR? (Is the UDHR accepted as international customary law?)

### 2 Legal Obligations

- 2.1 Does the state prevent practises such as torture, cruel, inhumane or degrading treatment/punishment?
- 2.2 Does the state prevent forced labour?
- 2.3 Are the occurrences of arbitrary arrest or detention?
- 2.4 Does the state grant its citizens the right to liberty of movement?
- 2.5 Is everyone treated equally before the law?
- 2.6 Are people charged with criminal offences presumed innocent until proven guilty?
- 2.7 Are people charged with criminal offences tried without undue delay?
- 2.8 Does the state protect the freedom of religion?
- 2.9 Does the state protect the right to freedom of expression?
- 2.10 Does the state protect the right of minorities to enjoy their own culture, to profess and practise their own religion and to use their own language?
- 2.11 Does the death penalty exist?
- 2.12 Does the country respect the principle of non-refoulement?

### 3 Human Rights Observance

- 3.1 Is anyone persecuted because of his/her race?
- 3.2 ...gender?
- 3.3 ...colour?
- 3.4 ...language?
- 3.5 ...religion?
- 3.6 ...political or other opinion?
- 3.7 ...property?