

**Legislative Council
of the
Hong Kong Special Administrative Region**

**Report on the Visit of the Delegation
of the Legislative Council
to Prague, Zagreb, Rijeka and Budapest**

13 to 23 September 2009

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Acknowledgements

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CHAPTER 1: INTRODUCTION

The Report

1.1 This Report presents the findings and observations of the visit of the delegation of the Legislative Council to Prague of the Czech Republic, Zagreb and Rijeka of the Republic of Croatia, and Budapest of the Republic of Hungary from 13 to 23 September 2009.

1.2 Chapter 1 of this Report provides the background to the visit. Chapters 2, 3 and 4 give an account of the various meetings and briefings attended by the delegation in the Czech Republic, Republic of Croatia and Republic of Hungary respectively, as well as the delegation's observations. Chapter 5 sets out the delegation's overall conclusions drawn from visiting the three countries.

Background of the visit

1.3 The Parliamentary Liaison Subcommittee, formed under the House Committee, is responsible for promoting liaison and developing good relationship with parliamentary bodies in various territories as well as for dealing with all matters pertaining to the activities of parliamentary friendship groups. The Subcommittee also makes recommendation to the House Committee on sending delegations of Legislative Council Members on visits outside Hong Kong and organizes such visits.

1.4 The Subcommittee considered it worthwhile to organize a visit to countries with emerging democracies, such as those in Central and Eastern Europe, so as to obtain first-hand information on the political and constitutional development in these countries, and draw experience from how they managed the changes during the democratization process.

1.5 Following study of six selected places in Central and Eastern Europe which are undergoing democratic transition and consolidation, the Subcommittee recommended to the House Committee the organization of a visit to three emerging democracies, viz. the Czech Republic, Republic of Croatia and Republic of Hungary. These three countries were selected having regard to their ties with Hong Kong, their political systems and development, as well as their geographical proximity. The Subcommittee's recommendation was endorsed by the House Committee on 29 May 2009.

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1.6 The House Committee also decided that the delegation undertaking the visit should comprise Members who were representative of the groupings in the Legislative Council. In accordance with the decision of the House Committee, a delegation of eight Members was formed.

Objectives of the visit

1.7 The objectives of the delegation's visit are as follows:

- (a) to obtain first-hand information on the political and constitutional development in the above emerging democracies as well as their electoral systems, and draw experience from how they managed the changes during the democratization process;
- (b) to gain a better understanding of the operation of the legislatures concerned, including their committee structure, the way different parties in a legislature work together, and the challenges faced by Members of the Parliaments;
- (c) to understand more about the parliamentary services in these countries, including how the services are managed and financed, and the support provided to individual Members of the Parliaments; and
- (d) to strengthen links with the three legislatures concerned, foster mutual understanding and keep them informed of the latest developments in Hong Kong.

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Membership of the delegation

1.8 The delegation comprises the following eight Members:

Hon Emily LAU Wai-hing, JP (Leader of the delegation)
Hon Fred LI Wah-ming, SBS, JP (Deputy Leader of the delegation)
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Cyd HO Sau-lan
Hon Paul CHAN Mo-po, MH, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun

1.9 Ms Miranda HON, Chief Council Secretary (3)³ and Clerk to the Subcommittee, and Mr Desmond LAM, Senior Council Secretary (3)², accompanied the delegation on the visit.

Visit programme

1.10 To prepare for the visit, the delegation held a working lunch with Mr Rudolf Hykl, Consul-General of the Czech Republic in Hong Kong, Mr Ádám Terták, former Consul-General of the Republic of Hungary in Hong Kong, and Mr Alex Choi, representative of the Honorary Consul of the Republic of Croatia in Hong Kong, to discuss the visit programme. The delegation also held a meeting with Prof Dr Ante Simonić, Ambassador of the Republic of Croatia to the People's Republic of China, regarding the visit programme in the Republic of Croatia. In addition, the delegation held four meetings to discuss and decide on the organizations and persons to visit, the itinerary as well as logistical arrangements.

1.11 Having regard to the objectives of the visit, the Research and Library Services Division of the Legislative Council Secretariat conducted researches into the political and constitutional development of the three countries during the post-communist period. The Secretariat also collated background information on the organizations and persons whom the delegation would meet during the visit. The thorough and relevant information enabled the delegation to have fruitful exchanges with the Members of Parliament and other persons in the three countries.

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1.12 The delegation visited Prague of the Czech Republic, Zagreb and Rijeka of the Republic of Croatia, and Budapest of the Republic of Hungary from 13 to 23 September 2009. During the 11-day visit, the delegation met with the Speaker and Deputy Speaker, Chairs of committees as well as Members of Parliaments of these countries, their parliamentary staff, members of political parties, senior government officials, representatives of non-governmental organizations, academics specializing in the study of democratization in these countries, as well as social and religious leaders. Owing to the tight meeting schedule, the delegation held working lunches and working dinners with some Members of Parliament so as to optimize the time for exchanges. The delegation also toured the historic Parliament Buildings of the three countries.

1.13 The detailed visit programme is in **Appendix I**. A list of the publications and materials obtained during the visit is in **Appendix II**, a full set of which is placed in the Legislative Council Library for reference by Members and the public.

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Visit programme

2.1 During its visit in Prague of the Czech Republic ("Czech"), the delegation met with Ing. Miloslav Vlček, President of the Chamber of Deputies, the Czech Parliament, and attended a lunch hosted by Mr Marek Benda, Chairman of the Committee on Constitutional and Legal Affairs and members of the Foreign Affairs Committee. The delegation also received a briefing by Ms Jindřiš Syllová, Director of the Parliamentary Institute of the Czech Parliament, and held a meeting with Ms Helena Bambasová, Deputy Minister of Foreign Affairs, Ministry of Foreign Affairs.

2.2 In addition, the delegation met with Bishop Václav Malý, Archdiocese of Prague, and Dr Michal Kopeček, Head of the Department for Post 1989 Development, Institute for Contemporary History of the Academy of Sciences.

2.3 Through these meetings and briefings, the delegation gained an in-depth understanding of the constitutional and political developments in Czech. The delegation also obtained first-hand information about Czech's electoral system, political parties, development of civil society and parliamentary services, as well as how its European Union ("EU") membership affected the country and the Czech people.

Constitutional and political development of the Czech Republic

Recent history of constitutional and political development

2.4 In November 1989, the Velvet Revolution brought an end to the communist regime in Czechoslovakia. The first post-transition multi-party elections in Czechoslovakia were held in June 1990. On 31 December 1992, Czechoslovakia dissolved into two independent states, i.e. the Czech Republic and Slovakia.

2.5 During the communist era, Czechoslovakia's federal Parliament, i.e. the Federal Assembly, was divided into two chambers of equal powers, namely the House of the People and House of the Nations. All Federal Assembly Members were elected by a majority vote of all registered electors for a five-year term. Constitutionally, the Federal Assembly had exclusive jurisdiction over all matters of foreign policy, fundamental matters of domestic policy, the economic plan, and supervision of the executive branch of the

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Government.

2.6 In December 1992, the Czech National Council, which was the highest legislative institution in the Czech Republic, adopted a new Constitution providing for the creation of a bicameral Parliament consisting of the Chamber of Deputies (lower house) and Senate (upper house). The Czech National Council was transformed into the Chamber of Deputies without new elections as parliamentary elections had already been held in June 1992, while the first elections to the Senate were held in 1996. The Chamber of Deputies was therefore the only house between 1993 and 1996. The Senate was intended to be made up entirely of Czech Deputies from the former Federal Assembly after the dissolution of the federation.

2.7 Since the end of the communist era, six elections of the Chamber of Deputies had been held, i.e. in 1990, 1992, 1996, 1998, 2002 and 2006. Six elections of the Senate had also been held at two-year intervals since 1996.

Political system

2.8 Czech had an estimated population of 10,220,911 in July 2008. Czech is a multi-party parliamentary democracy. According to its Constitution, the legislature is a two-chamber Parliament, the head of state is the President, and the head of government is the Prime Minister who exercises executive power.

2.9 The bicameral legislature consists of the Chamber of Deputies (lower house) and Senate (upper house). The Chamber of Deputies comprises 200 Deputies elected for a four-year term, while the Senate has 81 Senators elected for a six-year term. The Czech Senate is indissoluble. One-third of the Senate seats are re-elected every two years. No Member of Parliament ("MP") may simultaneously sit on both chambers.

2.10 The powers of the Parliament include enacting bills, approving international treaties, making decisions on important acts of state such as declaring war or approving the deployment of foreign armies on Czech territory, and electing the President of the Republic.

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2.11 The Chamber of Deputies is entrusted with greater powers than the Senate, especially regarding the exercise of parliamentary scrutiny over the Government, as the Constitution states that the Government is accountable only to the Chamber of Deputies. The Chamber of Deputies also has greater legislative powers than the Senate. According to the Constitution, while the Senate may propose new laws and amendments to existing laws, only the Chamber of Deputies may pass constitutional, electoral or budget bills, and approve international treaties. The Senate can return bill proposals to the Chamber of Deputies, but it does not have the right of final veto. However, if the Chamber of Deputies is dissolved, its duties are undertaken by the Senate, which is indissoluble.

2.12 The President of the Republic is a formal head of state with specific powers. He has the right to return laws to the Parliament, nominate Constitutional Court judges for the Senate's approval, dissolve the Parliament under certain special and rare conditions, and appoint the Prime Minister and other members of the cabinet proposed by the Prime Minister. The President is also the commander-in-chief of the armed forces. While the President can veto any bill passed by the Parliament (except for constitutional bills), he has no right to put forth legislative initiatives.

2.13 According to the Constitution, the Czech Government is the supreme body of executive power. It is composed of the Prime Minister, Deputy Prime Ministers and Ministers. The Prime Minister is appointed by the President of the Republic, and other members of the Government are appointed by the President based on the Prime Minister's proposal. The Government must appear before the Chamber of Deputies within 30 days of being appointed and request for a vote of confidence. A simple majority of the Deputies is needed to express confidence in the Government.

2.14 The Czech Government has the right to comment on all draft laws and demand the Chamber of Deputies to complete discussing a government draft law within three months of its submission. The Government also proposes laws on the state budget and state annual accounts.

Judicial system

2.15 The Czech judicial system is made up of a hierarchy of independent courts, comprising the Constitutional Court, Supreme Court, Supreme Administrative Court, as well as high, regional and county courts. The Czech Judiciary is generally free from unconstitutional interventions by other state institutions.

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2.16 The Czech Constitutional Court is the guarantor of the constitutionality of Czech and a well-respected institution. It has the power to cancel acts or their individual provisions or other legal regulations if they are in conflict with the constitutional order. It also has the power to check the conformity of international treaties with the constitutional order before the treaties are ratified. A complaint about the constitutionality of an act or regulation may be lodged with the Constitutional Court by a member of the public.

2.17 If the Constitutional Court judges that an act is unconstitutional and decides to cancel it, the Court either determines that the cancellation takes immediate effect or sets a future date on which the act becomes invalid. The purpose is to allow the Parliament to adopt a new act to supersede the one which will be cancelled.

Process of democratization

2.18 During its visit in Czech, the delegation exchanged views with various parties on the country's process of democratization, including the achievements attained and the problems encountered.

2.19 Ing. Miloslav Vlček, President of the Chamber of Deputies, informed the delegation that the process of political transformation in Czech since 1989 had been successful in that it was very peaceful and not marked by any violence. The smooth transfer of power was brought about by the agreement of the parties involved and their consensus that priority should be given to maintaining the country's economic development after the political change. Hence, unlike some Central and Eastern European countries, Czech's economic performance was not adversely affected by the political transformation, paving the way for sustained economic growth in the following years. In fact, Czech was one of the most developed and prosperous countries in Central and Eastern Europe. The economy was characterized by sustained growth, low inflation and continued inflow of foreign investment.

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Meeting with Ing. Miloslav Vlček,
President of the Chamber of Deputies, Czech Parliament

2.20 The delegation was also informed by members of the Foreign Affairs Committee that the country's economic strength lay in the high education and skill levels of its workforce as well as advanced research and development. Czech had strong machine and engineering industries and was capable of producing sophisticated products and equipment, such as radar, aircraft and nuclear plant. With such advantages, it was able to attract foreign investment.

2.21 Regarding the problems encountered during the democratization process, Mr Vlček said that the Government made a mistake in the early stage of the privatization programme which was implemented in the early to mid-1990s. He said that the Government should have retained control in former state companies through some means, but it had not. As it transpired, the people who acquired the companies did not have the expertise to run them, depriving such companies of a chance to survive. Despite such mistake, Mr Vlček said that it was a correct move to implement political transformation ahead of economic reform.

2.22 On the challenges faced by Czech, the delegation was advised that the Czech economy was experiencing a recession this year due to the global financial crisis, and unemployment rate had risen. Although the country's banking sector was not directly affected, the export-oriented economy suffered a blow as it was dependent on the European market. The Government adopted many measures, such as strengthening the construction industry, to alleviate the impact of the financial crisis. In March, opposition Deputies cast

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a vote of no confidence on Prime Minister Mirek Topolánek as a protest against his Government's economic policies which had failed to effectively respond to the financial crisis.

2.23 During the meeting with Bishop Václav Malý, Archdiocese of Prague, the delegation was informed that during the communist era before 1989, the unemployment rate was high and the people were very dissatisfied with the communist regime. The country was influenced by the changes that occurred in other countries, including Poland, Hungary and the Soviet Union. World leaders such as Mikhail Gorbachev of the Soviet Union, President Ronald Reagan of the United States and Pope John Paul II had also contributed to the end of communism in Czechoslovakia.

2.24 Bishop Malý said that the democratic development in the past 20 years had benefited the Czech people. He pointed out that although the country had problems, such as weakening inter-generation solidarity, it had the opportunity to become better. People were free to express their opinions without the fear of being prosecuted. The unemployment rate was relatively low and Czech was among the richest countries in Central and Eastern Europe.



Meeting with Bishop Václav Malý, Archdiocese of Prague

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Disagreement between the Czech Parliament and the Czech Constitutional Court

2.25 The delegation visited the Czech Parliament at the time when it was in the middle of a constitutional and political crisis caused by disagreement between the Parliament and the Constitutional Court. The delegation received detailed briefings on the situation and witnessed how the Czech Parliament and the people dealt with the crisis. The delegation also exchanged views on the crisis with different political parties.

2.26 The delegation was informed that the term of office of the Chamber of Deputies should end in mid-2010, followed by parliamentary elections. During the course of 2007 and 2008, four no-confidence motions against Prime Minister Mirek Topolánek's cabinet had been put forth by the opposition but were not passed. In March 2009, a fifth no-confidence motion was passed. As a result, Prime Minister Topolánek announced his resignation, along with his Government. On the basis of an agreement among the parliamentary parties, the Chamber of Deputies' four-year term was to be cut short and the non-partisan head of the Czech Statistical Office, Jan Fischer, was appointed Prime Minister.

2.27 The delegation was advised that the law passed by the Parliament to shorten the term of the Chamber of Deputies to enable early parliamentary elections to be held on 9 and 10 October 2009, was challenged by an outgoing independent Member of Parliament, Milos Melcak. Mr Melcak questioned the legitimacy of the shortening of Chamber of Deputies' term and lodged a complaint with the Constitutional Court. On 10 September 2009, the Constitutional Court upheld the complaint and cancelled the law passed by the Parliament because it was unconstitutional. The Constitutional Court also cancelled a separate presidential decree which set the election date.

2.28 During his meeting with the delegation on 14 September 2009, Ing. Miloslav Vlček, President of the Chamber of Deputies, informed the delegation that in anticipation of such a ruling of the Constitutional Court, the major political parties had already been working on a fresh amendment to the Constitution that would allow the Chamber of Deputies to dissolve itself, so that elections could be held as soon as possible. The Chamber of Deputies would start the debate on this fast-track procedure on the following day, i.e. 15 September 2009. If the amendment was passed, the Chamber of Deputies could dissolve on the same day and parliamentary elections could be held as early as 6 November 2009.

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2.29 Regarding the consequences of the Constitutional Court's ruling, Mr Vlček explained that a delay in the elections meant that the new Parliament would probably not have time to approve the 2010 budget and a provisional budget would be adopted. Spending under a provisional budget was limited to the previous year's levels, which was undesirable.

2.30 On 15 September 2009, when the delegation attended the lunch hosted by Mr Marek Benda, Chairman of the Committee on Constitutional and Legal Affairs and members of the Foreign Affairs Committee of the Chamber of Deputies, it learnt that the proposal to dissolve the Chamber of Deputies did not receive majority support due to a sudden change of stance by the Czech Social Democratic Party (one of the two major political parties in the Parliament) that morning. The Social Democrat's change of mind was probably prompted by the Party's wish to secure the approval of the 2010 budget and avoid the risk that the fresh amendment to the Constitution would be challenged in court again. Under the circumstances, the parliamentary elections would probably be held in June 2010, after the Chamber of Deputies had served its full four-year term.



Lunch hosted by Mr Marek Benda, Chairman of the Committee on Constitutional and Legal Affairs, and members of the Foreign Affairs Committee of the Chamber of Deputies, Czech Parliament

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2.31 Regarding the response of the general public to the Constitutional Court's ruling, the delegation was advised that while most Czech people supported it, they also wanted to have early elections because the country was run by a weak interim technocrat Government which did not have political mandate. Prime Minister Jan Fischer was designed to stay in office to lead the country to early elections and to prepare a budget for 2010. People looked to early elections to bring in a Government with a stronger mandate to tackle the country's fast eroding public finances and revive the economy.

2.32 As for the Chamber of Deputies, the delegation was told that Members generally respected the Constitutional Court's ruling although some Members considered that the Court had impinged on the legislative powers of the Parliament.

2.33 The delegation was further advised that although the political situation had little impact on the Czech economy so far, the Parliament would have to work out a solution as soon as possible. Otherwise, the long-term stability of the country and its economic prospects would be adversely affected.

2.34 Bishop Václav Malý and Dr Michal Kopeček, Head of the Department for Post 1989 Development of the Institute for Contemporary History of the Academy of Sciences, considered that the conflict between the Constitutional Court and the Parliament had a positive impact on the long-term development of the country. According to Bishop Malý, the incident reminded the Czech people that every one was equal before the law. In Dr Kopeček's view, the incident highlighted the legitimacy and independence of Czech's judicial system, which was instrumental to the democratization of the country.

Impact of the EU membership on Czech

2.35 The delegation notes that during the past two decades, Czech has attained its key goal of "a return to Europe". It joined the Organization for Economic Co-operation and Development in 1995, became a member of the North Atlantic Treaty Organization ("NATO") in 1999, and was acceded to the EU in 2004. On 1 January 2009, Czech took over the six-month rotating presidency of the EU and became the first former Soviet bloc country to lead the EU.

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2.36 Ms Helena Bambasová, Deputy Minister of Foreign Affairs, Ministry of Foreign Affairs, told the delegation that given Czech's membership in NATO and the EU, human rights and democracy were important elements of the country's foreign policies. While political parties did not hold different views in this aspect, they did not agree on whether and, if so, when the country should adopt the EURO as its currency. The country's current policy was that it would not adopt the EURO until 2030 as it needed more time to fulfil all the requirements for joining the EURO-zone.

2.37 As regards relations with other world powers, the delegation was informed that China was very important to the Republic. Because the country supported the EU's policy, whenever Czech MPs visited China, they always raised human rights issues with the Chinese authorities. Czech had allowed the Dalai Lama to visit the country several times despite protests by the Chinese Embassy. Ms Bambasová also said that the country maintained good relations with Russia, and trade between the two countries was growing.

2.38 According to Ms Bambasová, the accession to the EU benefited the Czech people and the business sector. People could travel freely to other EU countries. The country's strong GDP growth in the past few years had been made possible by increased export to the EU countries. In fact, 85% of the country's total export was to the EU markets.



Meeting with Ms Helena Bambasová,
Deputy Minister of Foreign Affairs, Ministry of Foreign Affairs

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Electoral system and political parties

2.39 The delegation notes that different electoral systems have been adopted for elections to the two houses of Parliament, as stipulated in the country's Constitution and electoral laws. Elections to the Chamber of Deputies are based on the principle of a party-list proportional representation system, whereas elections to the Senate are based on a majority system. The electoral systems have largely remained unchanged for all elections. Specifically, Members of the Chamber of Deputies are elected by party lists in multi-seat constituencies with a 5% threshold. This means that in order to participate in the distribution of constituency seats, a party must obtain at least 5% of all valid votes cast. There are 14 voting districts identical to the country's administrative regions. A voter casts a vote for the party list of his or her choice, and is also allowed two preference votes for individual candidates on that list. Members of the Senate are elected in 81 single-seat constituencies by two rounds of runoff voting. There is no threshold requirement for winning a seat. Since one-third of seats are up for election every two years, Senate elections are held in 27 constituencies every two years. A Czech citizen who has attained the age of 18 has the right to vote.

2.40 The delegation also notes that since 1996, the Czech party system has become a multi-party system with two main parties: Czech Social Democratic Party on the left and Civic Democratic Party on the centre-right.

2.41 According to members of the Foreign Affairs Committee, the system of proportional representation for election to the Chamber of Deputies was designed to enable a majority of the Czech people to be represented in the Parliament. However, the system was not conducive to producing one single political party that could command a majority in the Chamber of Deputies. Very often, a coalition government would have to be formed. Since 1996, the Czech Republic had been ruled either by shaky coalition governments or minority governments dependent upon the goodwill of the opposition. Such a phenomenon had made it very difficult for the Government to rule the country and for the political parties to implement their election platforms.

2.42 The members also pointed out that in reality, it was the political minority who decided. They cited the latest parliamentary elections held in 2006 as an illustration. The members said that the 2006 elections had ended in a stalemate, with both the centre-right (comprising the Civic Democratic Party, Christian and Democratic Union-Czech People's Party and Green Party) and centre-left (comprising the Czech Social Democratic Party and Communist Party of Bohemia and Moravia) blocs each winning exactly 100 seats in the Chamber of Deputies. Prime Minister Mirek Topolánek, leader of the Civic Democratic Party, was able to secure a parliamentary majority and form a

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government only with the help of two members of the Czech Social Democratic Party who "betrayed" their Party and supported the other bloc. The unstable situation had lingered on for several years and there were four no-confidence motions during 2007 and 2008 against the Prime Minister in which he managed to survive. However, his Government finally collapsed in March 2009 when four "dissident" Deputies (two from the Civic Democratic Party, plus two expelled from the Green Party) sided with the Czech Social Democratic Party and the Communist Party of Bohemia and Moravia to pass a vote of no-confidence.

2.43 Dr Michal Kopeček, Head of the Department for Post 1989 Development of the Institute for Contemporary History of the Academy of Sciences, informed the delegation that the Czech people did not want the totalitarian rule under the communist regime to be repeated. As such, the electoral systems of the country were designed to make it difficult to produce a majority party in the Parliament. Dr Kopeček further said that the Communist Party of Bohemia and Moravia, which was formed in 1989 by members of the former Communist Party of Czechoslovakia, remained the third most popular party in the country. Young people who had not experienced the rule of a communist government supported the Communist Party because they were not satisfied with the major political parties. However, other political parties were not willing to cooperate with or form a coalition with the Communist Party. The party platform of one political party even prohibited the formation of a coalition government with the Communist Party. This had greatly complicated the task of forming a stable government.



Meeting with Dr Michal Kopeček,
Chief of the Department for Post 1989 Development, Institute for
Contemporary History of the Academy of Sciences, Czech

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2.44 On the way forward, members of the Foreign Affairs Committee considered that since the electoral system had been in place for 20 years, it was time for a review to see if it should be changed. Having regard to the need to strike a balance between being able to return a strong Government that could rule the country and to prevent the resurgence of totalitarian rule and ensure the maximum representation of the Czech people in the Parliament, one option would be to adopt a majority system based on direct, majority vote in single-seat constituencies, such as the one for election to the Senate, instead of the proportional representation system for election to the Chamber of Deputies. The Czech people would be consulted before a decision is made.

Civil society

2.45 The delegation notes that one of the characteristics of civil society is the presence of a large number of civil society organizations, such as registered charities, non-governmental organizations ("NGOs"), community groups, women's organizations, religion-based organizations, professional associations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy groups. The delegation also notes that since Czech's accession to the EU, the NGO sector has been growing steadily. NGOs have been treated as equal partners by public authorities in developing policies and their representatives sit on advisory bodies of various ministries. Many Czech people see NGOs as valuable instruments for creating and preserving social cohesion. They help to solve social problems and are essential to a well-functioning democracy. In a public opinion survey conducted in 2005, around 81% of respondents felt that NGOs were important, and performed work that the state did not engage in; and 83% found that NGOs highlighted neglected issues in the society.

2.46 Members of the Foreign Affairs Committee informed the delegation that the State was the largest funding source of NGOs. It provided extensive financial support through grants and co-ordinated non-profit-making activities through the Council for NGOs. The major political parties in the Parliament held positive views about the contributions of NGOs.

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2.47 The members also said that according to the country's Constitution, a referendum could be held for the purpose of public consultation. This was a very important means for the general public to express its views on important issues.

2.48 Dr Michal Kopeček, Head of the Department for Post 1989 Development, Institute for Contemporary History of the Academy of Sciences, however, told the delegation that the notion of civil society in the western sense was very weak in Czech and this was reflected by the relatively small number of civil society organizations and participants in the activities of such organizations. Dr Kopeček further pointed out newspapers rarely published comprehensive analyses of policy issues and preferred sensational articles, which was not conducive to the development of civil society.

Parliamentary services

Parliamentary Institute

2.49 The delegation notes that the Office of the Chamber of Deputies of the Czech Parliament, headed by the Secretary General, is responsible for providing technical and administrative support to the Chamber of Deputies. The Office also administers the budget of the Chamber of Deputies, which is an independent chapter of the state budget. The Secretary General is appointed by and accountable to the President of the Chamber of Deputies. The Office has approximately 320 employees. The internal division of the Office and the tasks of individual sections are defined by the rules of internal governance. The delegation further notes that the Parliamentary Institute and Parliamentary Library have a special position as they service both the Chamber of Deputies and the Senate.

2.50 The delegation received a briefing on the work of the Parliamentary Institute by its Director, Ms Jindřiš Syllová. According to Ms Syllová, the Parliamentary Institute performed research and training tasks for both chambers of Parliament, parliamentary committees and other sub-bodies, Deputies, Senators as well as Chancelleries of the Chamber of Deputies and Senate. The Parliamentary Institute provided a wide range of information to Members and parliamentary bodies.

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Visit to the Parliamentary Institute of the Czech Parliament

2.51 Ms Syllová said that the Parliamentary Institute strictly adhered to the rule of impartiality when providing information, research, opinions, studies and expert appraisals. It did not express politically-based opinions and treated all users on an equal basis.

2.52 As regards the extent of information provided, the delegation was advised that the Parliamentary Institute answered enquiries by telephone, conducted oral consultations and provided written answers. It also provided information materials, conducted studies, and performed economic and social monitoring. Most often, information was provided on request from and for the use of the Deputies and Senators. In addition, individual political parties can also make request for information.

2.53 Ms Syllová further informed the delegation that the Czech Parliament attached great importance to communicating with the public. It adopted an active approach to ensure public awareness of parliamentary procedures and important decisions by providing the public with sufficient information. The Chamber of Deputies established the Department of Communication and Education, which was a unit of the Parliamentary Institute, to take charge of this work. The Department produced an annual plan entitled a "Conception of the Communication of the Chamber of Deputies with the Public", which set out the main target groups and forms of communication, for presentation to the relevant committees of the Chamber of Deputies. The Department's activities focused mainly on the pupils and teachers of elementary and secondary schools and the aim was to provide them with information on the parliamentary buildings, history of Czech parliamentarianism, as well as the current issues relating to parliamentary life.

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2.54 The delegation was told that the Czech Parliament also placed emphasis on public participation in parliamentary procedures. Members of the public can observe plenary sessions or meetings of parliamentary bodies, such as committees and commissions, in the visitor's gallery. Members of the public can also participate in tours of the parliamentary buildings and in expert seminars organized throughout the year by the Department of Communication and Education.

Building of the Chamber of Deputies

2.55 Staff of the Parliamentary Institute conducted a tour of the Building of the Chamber of Deputies for the delegation. The delegation was briefed that the seat of the Chamber of Deputies comprised a group of old palaces and burgher houses in the Lesser Town. The Thun Palace, where the main session hall of the Chamber of Deputies was located, was among the oldest parliamentary buildings in the world. It was built for the aristocratic family of the Thuns between 1695 and 1720. After 1779, theatre performances took place in the main Baroque hall. In 1801, the building was sold to the Estates of the Bohemian Kingdom. With the creation of the Czech Republic in 1993, the Thun Palace became the seat of the Chamber of Deputies while the Senate met in the nearby Wallenstein Palace.



Tour of Building of the Chamber of Deputies, Czech Parliament

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Observations of the delegation

2.56 The delegation visited Czech amid a political crisis caused by disagreement between the Parliament and the Constitutional Court over the constitutionality of a law passed to shorten the term of office of the Chamber of Deputies. The visit took place at such an important moment provided the delegation with a rare opportunity to witness rapid developments at a close range and obtain first-hand information on the responses of the Chamber of Deputies and the Czech people. The delegation considers this a valuable experience.

2.57 The delegation observes that both the Chamber of Deputies and the Constitutional Court have performed their respective roles and exercised their powers in accordance with the Constitution. The Chamber of Deputies discharged its constitutional oversight function over the Government by the constitutional means of passing a motion of no confidence to force the Prime Minister and his Government to resign. It also sought to resolve the resultant political crisis by legislative means. The Constitutional Court on the other hand performed its constitutional role as the guarantor of the constitutionality of the country by ensuring the constitutionality of the law passed by the Parliament.

2.58 In the delegation's view, the incident highlights the checks and balances in the political system, independence of the judicial system and the Czech people's respect for the rule of law. The functioning of such important pillars of democratic society has greatly impressed the delegation as Czech was transformed into a democratic country only 20 years ago.

2.59 On the process of democratization in Czech, the delegation notes that the country's transformation from a communist state to a democratic regime was peaceful and not marked by any violence, and the political transformation has not affected the country's economic performance. The Czech economy has been characterized by sustained growth, low inflation, low unemployment rate and continued inflow of foreign investment. It has become one of the most developed and prosperous countries in Central Europe. In addition, the various parties which the delegation has met all agreed that the democratization process was successful. Although mistakes have been made in areas of privatization, they consider democratization a correct move and are satisfied with their life under a democratic regime.

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2.60 The delegation believes that the democratization process in Czech has been successful because the transfer of power was brought about by the agreement of the parties concerned and a consensus that priority should be given to maintaining the country's economic development after the political change. Hence, unlike some Central and Eastern European countries, Czech's economic performance has not been adversely affected by the political transformation, paving the way for sustained economic growth.

2.61 The delegation considers that Czech's EU membership has not only brought economic benefits to the country, but also has had a positive impact on its constitutional and political development. Being a Member State of the EU, Czech supports the EU's policies and attaches great importance to human rights as well as democratic standards and principles.

2.62 Regarding Czech's electoral system, the delegation finds that the country has chosen a system of proportional representation for electing the Chamber of Deputies in order to avoid repeating the experience of a totalitarian government. Under this system, Deputies are elected by party lists in multi-seat constituencies with a 5% threshold. By design, however, the system is not conducive to producing a majority party in the Parliament.

2.63 The delegation considers that the proportional representation system facilitates the election of a greater number of political parties to the Chamber of Deputies, thus ensuring the maximum representation of the Czech people in the Chamber of Deputies. It also increases the influence of small political parties. At the same time, the system is unable to produce one single political party that can command a majority in the Chamber of Deputies and form a government with a strong mandate. As a result, the country is very often ruled by a coalition government or a minority government dependent upon the goodwill of the opposition. This has a negative impact on the political stability of the country and poses difficulties for the political parties in implementing their election platforms.

2.64 The delegation observes that there is a consensus among the major political parties in the Czech Parliament to review the country's electoral system, having regard to the need to strike a balance between being able to return a strong government that can rule the country and to prevent the resurgence of totalitarian rule and ensure the maximum representation of the Czech people in the Parliament. The delegation is impressed that MPs have emphasized the need to consult the people before making a decision.

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2.65 The delegation finds that the NGO sector in Czech has been growing steadily in recent years. Its contributions are recognized by the Czech people, public authorities and MPs, and NGOs are regarded as equal partners by public authorities in developing policies. The delegation considers that the growth of the NGO sector has been facilitated by the provision of public funding to NGOs. The delegation notes that there are views that the development of civil society is still unsatisfactory. Dr Michal Kopeček, for instance, considers that the notion of civil society in the western sense is weak in Czech, as reflected by the relatively small number of civil society organizations and participants in the activities held by such organizations.

2.66 The delegation is impressed by the wide range of services and information provided by the Parliamentary Institute to both the Senate and Chamber of Deputies, which include research, training, studies and expert appraisals.

2.67 The delegation is impressed by the active approach adopted by the Czech Parliament in communicating with the public and enhancing public awareness of parliamentary procedures and important decisions made by the Parliament. The Chamber of Deputies has established a designated unit, i.e. the Department of Communication and Education, to take charge of this area of work. The Department prepares an annual work plan and organizes expert seminars throughout the year. The delegation considers that the systematic and proactive approach of the Department of Communication and Education is a useful reference for the Legislative Council in developing a framework for launching public education programmes.

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Visit programme

3.1 During its visit in Zagreb of the Republic of Croatia ("Croatia"), the delegation met with Mr Neven Mimica, Deputy Speaker of the Croatian Parliament, members of various committees and the Secretary General of the Parliament, as well as officials of political parties and heads of caucuses. The delegation also attended a lunch hosted by the Deputy Chairman of the Committee on the Constitution, Standing Orders and Political System.

3.2 In addition, the delegation met with the Head of Department for Neighbouring Countries and South-east Europe of the Ministry of Foreign Affairs and European Integration, and representatives of two NGOs, namely, Citizens Organized to Monitor Voting ("GONG") and the Croatian Friendship Society with China.

3.3 In Rijeka, the delegation held meetings with the President of the Rijeka City Council, Deputy Mayor of the City of Rijeka, and Deputy Presidents of the County Assembly of the Primorsko-Goranska County. The delegation also received briefings by the representatives of the Port of Rijeka Authority, University of Rijeka and Unione Italiana (the "Italian Union").

3.4 Through these meetings and briefings, the delegation gained an in-depth understanding of the constitutional and political developments, local and regional government, protection of national minorities as well as development of civil society in Croatia. The delegation also had fruitful exchanges with Members of the Croatian Parliament about the challenges they faced, the country's electoral system, the work of parliamentary committees and political parties, parliamentary services, and how the process of the EU accession affected the country and the Croatian people.

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Meeting with Mr Neven Mimica, Deputy Speaker of the Croatian Parliament and Chairman of Committee on European Integration of the Croatian Parliament, and members of the Committee



Meeting with Dr Milorad Pupovac, Chairman of Committee on Interparliamentary Co-operation of the Croatia Parliament, and members of the Committee

Constitutional and political development of the Republic of Croatia

Recent history of constitutional and political development

3.5 Between 1945 and 1990, Croatia was one of the six constituent republics of the former Federal People's Republic of Yugoslavia. During this period, the League of Communists of Yugoslavia was the only official political party under the Federation's one-party rule. The People's Parliament of the Republic of Croatia was the highest body of governmental authority in Croatia.

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3.6 Multi-party elections were first held in Croatia on 30 May 1990, giving birth to the first multi-party Parliament. In June 1991, the Croatian Government declared independence from Yugoslavia. The Republic of Croatia was internationally recognized in January 1992.

3.7 The Croatian War of Independence ended in December 1995. The integration of the Serbian-controlled territories of Croatia into the rest of the country was completed in 1998 under the supervision of the United Nations.

3.8 Since 2000, Croatia started to rebuild the economy and introduced many reforms.

Political system

3.9 The Croatian Parliament (Sabor) became a unicameral legislative body after its second chamber, the House of Counties, was abolished by constitutional amendment in March 2001. The abolition was not opposed by the House of Counties because it had all along only played an advisory role while the legislative authority was vested with the House of Deputies.

3.10 Croatia had an estimated population of 4,491,543 in July 2008. According to the 2001 Constitution, the Croatian Parliament may have a minimum of 100 Members and a maximum of 160 Members elected by direct universal suffrage for a term of four years. The current Parliament has 153 Members who were elected in November 2007.

3.11 The powers of the Croatian Parliament include enactment and amendment of the Constitution, passage of laws, adoption of the state budget, declaration of war and peace, deciding on alterations of the boundaries of the Republic, conducting elections, appointment and removal of office holders in accordance with the Constitution and law.

3.12 According to the Constitution, the Croatian Parliament has one or more Deputy Speakers. The Standing Orders of the Croatian Parliament stipulate that there can be two to five Deputy Speakers. The current Presidency of Parliament is formed by the Speaker and four Deputy Speakers.

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3.13 The President of Croatia is the head of state, directly elected for a five-year term. The President is also the Commander in Chief of the Armed Forces, and appoints military commanders (and relieves them of their duties), as well as participates in foreign and national security policy decision-making.

3.14 The Government of Croatia is headed by the Prime Minister who exercises the main executive power of the state. The Prime Minister is appointed by the President of Croatia with the consent of the Croatian Parliament, and is accountable only to the Parliament.

3.15 On 1 July 2009, Ivo Sanader, who had been Prime Minister since 2003, resigned. He admitted that his decision was related to the country's accession negotiations with the EU, which had been stalled over a border dispute with Slovenia.

Judicial system

3.16 Croatia has a three-tier judicial system consisting of the Supreme Court, county courts and municipal courts. In April 2006, the Parliament adopted the "National Anti-Corruption Program for 2006-2008", which provides for measures to combat corruption in the Judiciary. The fight against corruption has been given a high priority. This is because corruption and the judicial system remained the country's main problems in negotiations with the EU.

Process of democratization

3.17 During its meetings with members of various committees of the Croatian Parliament, the delegation exchanged views with MPs on Croatia's process of democratization, including the achievements attained and problems encountered as well as the challenges that the Parliament currently faced.

3.18 The delegation was informed that the economic life of the Croatian people had improved after the political transformation. The Croatian economy had experienced a steady and moderate growth of around 4% to 6% since 2001, led by tourism, banking and public investments. The unemployment rate had steadily declined from about 16% in 2000 to 9.6% in 2007. Although the economy was in recession due to the global financial crisis, the performance of tourism, which was an important sector of the economy, was still very encouraging.

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3.19 According to members of the Committee on European Integration, openness of the Croatian Parliament was one of the achievements of democratization. The parliamentary sessions and committee meetings were open to the public and the media. The committees appointed external members from the academia, business associations, trade unions, professional bodies and NGOs, and these members could participate fully in the discussions of the committees. The Parliament regarded NGOs such as GONG as partners and attached importance to their views and recommendations.

3.20 Members of the Committee on European Integration of the Croatian Parliament also informed the delegation that Croatia had encountered problem in the privatization process. The process was initiated and completed during war time, and it lacked transparency. In the end, privatization did not bring about improvements in economic performance. Instead of transferring ownership to private hands, many industries remained under state ownership. Foreign capital inflow was discouraged by the lack of transparency in ownership conversions.

3.21 During the meetings with various committees of the Croatian Parliament, the delegation was given to understand that there had been a new wave of privatization in recent years. It was more successful and resulted in more foreign direct investment. Currently, over two-thirds of the Croatian economy had been privatized. However, the EU expected Croatia to further reduce national subsidies for large enterprises, particularly in the shipbuilding industry which was a major source of state budget deficit. To comply with the EU standards, large scale lay-offs would be necessary. Although Croatia did not want to give up control on the shipbuilding industry as it was vital to the country, it had to proceed with the privatization of shipyards in order to gain accession to the EU. In June 2009, the Government concluded negotiations with the European Commission regarding the privatization of six state-owned shipyards.

3.22 On the public's perception of the Croatian Parliament and MPs, members of the Committee on Interparliamentary Co-operation informed the delegation that the Croatian Parliament had a low popularity rating among the Croatian people and there was a general lack of trust in the Parliament. According to these members, the poor image of the Parliament was attributable to the wide gap between people's high expectation of the Parliament's ability to reform corrupt and inefficient government institutions and its limited ability in reality. For example, the general public was dissatisfied with the judicial system and the rule of law and expected the Parliament to improve the situation.

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Contrary to their expectation, the Parliament did not have much power in this area. This gave the people the impression that the Parliament was not proactive in pushing for legal and democratic reforms to address their concerns. Moreover, the media adopted a strategy of criticizing the Parliament and depicting an image that MPs were not concerned with the needs of the people.

3.23 The delegation was also advised that an MP's monthly salary was about EUR2,000, whereas that of an average Zagreb citizen was about EUR900. The public had the perception that MPs were a privileged class earning a high salary without real contribution. In addition, some political parties did not work for the well-being of the country but just focused on pursuing their party interests. As a result, they lost the support of the public.

3.24 During the delegation's meeting with officials of various political parties and heads of caucuses of Parliament, the delegation was told that the poor perception of the Parliament and MPs among members of the public was a result of live broadcast of parliamentary plenary sessions. People saw that the assembly hall was always empty and MPs often argued about unimportant matters. The image of MPs was so poor that even the provision of parking space to them in the Parliament had to be abolished due to pressure from the media and the public, and MPs were criticized for having meals in the Parliament during plenary sessions.

3.25 Regarding a solution to the problem, members of the Committee on Interparliamentary Co-operation considered that the Parliament and political parties should reach out to and educate the public, with a view to enhancing their understanding of the Parliament and the work of MPs.



Meeting with officials of various political parties and heads of caucuses of the Croatian Parliament

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Impact of the EU accession process on Croatia

3.26 The delegation notes that gaining full membership in the EU is one of Croatia's basic foreign policy goals. In 2002, all parliamentary parties reached a consensus at a meeting of the Croatian Parliament to support the EU membership as a strategic objective of the country. Croatia applied for the EU membership in February 2003, and accession negotiations began in 2005.

3.27 Mr Davor Vidiš, Head of the Department for Neighbouring Countries and South-east Europe of the Ministry of Foreign Affairs and European Integration, informed the delegation that Croatia had continued to make progress in the EU accession negotiations. It was expected that Croatia would become a member of the EU by 2011.



Presentation of souvenir to Mr Davor Vidiš,
Head of Department for Neighbouring Countries and South-east Europe of
the Ministry of Foreign Affairs and European Integration

3.28 On the reason why Croatia wished to join the EU, Mr Vidiš said that Croatia, being a small country, considered that the best way to develop and ensure prosperity and to realize its national interests was to join the EU. The EU membership would provide Croatia access to the financial and technical assistance needed to establish an efficient and vibrant market-based democracy.

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3.29 Mr Vidiš further informed the delegation that to become an EU member, Croatia had to adopt the EU standards, including the rule of law. One of the problems in Croatia's EU accession was the requirement to harmonize the legal system of Croatia with that of the EU. Croatia was also required to step up reforms in the Judiciary and intensify its anti-corruption efforts. Croatia had carried out a large-scale exercise to harmonize the Croatian laws with the EU laws. For instance, during the period from January to September 2009, 276 pieces of legislation were adopted by the Parliament. Moreover, the Croatian Government had launched a number of programmes to enhance the judicial system and restore public trust in the judges. For example, a code of conduct for judges had been adopted and local courts had been consolidated into one larger court for better efficiency and to reduce case backlog.

3.30 Mr Vidiš pointed out that while the adoption of laws would be completed soon, it would require time to change the culture and people's mindset, which were more fundamental. It was also necessary to build public confidence in the judicial system and make people understand and abide by the law.

3.31 On the question of whether members of the public had expressed dissenting views on the many reforms carried out in order to join the EU, Mr Neven Mimica, Deputy Speaker of the Croatian Parliament and Chairman of the Committee on European Integration, said that the process of accession to the EU was a process of democratization. To gain the EU accession, Croatia had to undergo a series of reforms and adopt a whole set of social, cultural and democratic values. Government institutions and the people's mindset had to be transformed as well. In his view, the process of transformation was more important than the accession itself.

3.32 Mr Mimica considered that Croatia's judicial and legal systems were the institutions that should be reformed most urgently, with a view to strengthening the rule of law in the country. To meet the EU standards, the qualifications and training of judges as well as the legal profession in the country had to be strengthened. Judicial and legal reforms were also in line with the aspirations of the Croatian people.

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3.33 Members of the Committee on European Integration informed the delegation that Croatia had to reform its education system and enhance the quality of its workforce in order to comply with the EU standards. For example, Croatia had to reduce the college drop-out rate and increase the percentage of population which pursued life-long learning. Such reforms would have a positive impact on Croatia's competitiveness in the long run. Moreover, after joining the EU, Croatian students' academic qualifications would be recognized by the EU countries and they would have the opportunity to pursue studies in those countries. Economically, Croatia would gain access to the huge EU market. At the same time, Croatia would become a market for other EU countries and hence would be under pressure to adopt measures to maintain its competitiveness.

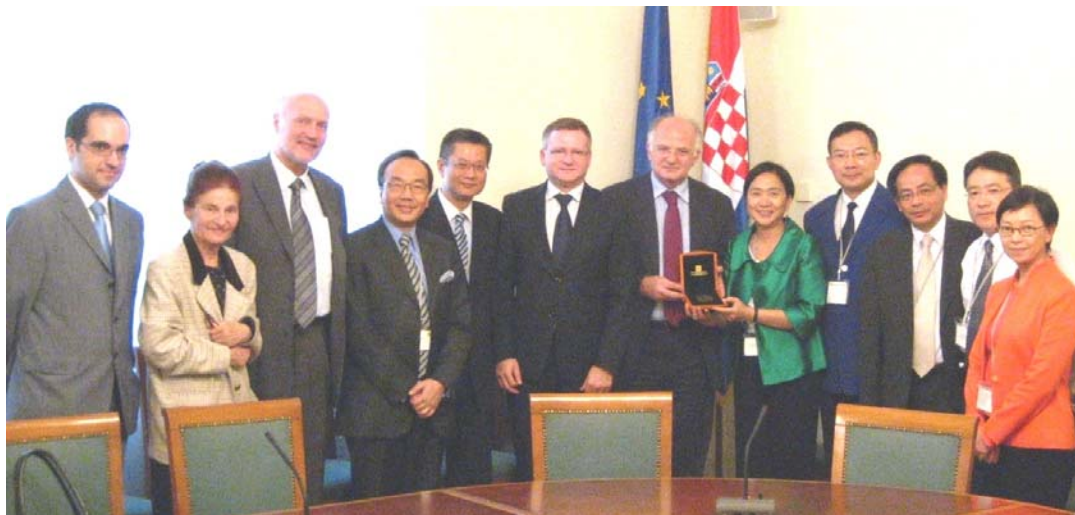
Committees of the Croatian Parliament

3.34 The delegation notes that there are 30 committees and four special committees in the Croatian Parliament. The delegation held meetings with the members of four committees (i.e. the Committee on Interparliamentary Co-operation, Committee on European Integration, Committee on the Constitution, Standing Orders and Political System, and Committee on Finance and Central Budget) and received briefings on the committees' work. The delegation also exchanged views with the members on a variety of issues.

Committees

3.35 On the question of MPs' behaviour during parliamentary plenary sessions, Mr Josip Leko, Deputy Chairman of the Committee on the Constitution, Standing Orders and Political System, informed the delegation that Croatian MPs respected and complied with the Standing Orders. There had not been major disorders in the Parliament although a few Members had been reprimanded. When a Member disobeyed the Standing Orders, the Speaker of the Parliament and chairmen of committees had the power to caution the Member, remove the Member's right to speak and order the Member to withdraw from the session. In case there was a dispute over the implementation of the Standing Orders, the Committee on the Constitution, Standing Orders and Political System was the arbitrator. The majority of the members of this committee are from the majority party in the Parliament.

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Meeting with Mr Josip Leko, Deputy Chairman of the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament, and members of the Committee

3.36 As regards whether the opposition was allowed to chair the parliamentary committees, Mr Leko advised that this was a matter to be agreed among the political parties. The distribution was always in proportion to the number of seats of each party. The opposition was satisfied with the arrangement.

3.37 In view of the dominating position of the majority party, the delegation asked whether there was a mechanism to prevent abuse of power by the majority party in the Parliament. Mr Leko said that MPs and the political parties were subject to the scrutiny of the public. If there was abuse of power by the majority party, it would be punished by the voters in elections. Democracy was an effective way to prevent manipulation by the majority.

3.38 On the preparation and scrutiny of the state budget, members of the Committee on Finance and Central Budget advised the delegation that the budget was prepared by the Government, which would consult different stakeholders during preparation. After the State Budget Bill was introduced into the Parliament, the Committee on Finance and Central Budget would be in charge of the Bill. MPs had 72 hours to table amendments to the Bill. The time was considered sufficient as consultation had already been conducted by the Government and political parties would be given the draft budget several days in advance, allowing time for them to consult their partners. So far, none of the amendments proposed by the opposition had been passed.

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Meeting with Dr Goran Marić, Chairman of Committee on Finance and Central Budget of the Croatian Parliament, and members of the Committee

3.39 Members of the Committee on Finance and Central Budget further said that it was required by the law that a proposed item of expenditure had to be offset by a proposed reduction in expenditure, meaning that the proposal would have a neutral impact on the budget. Both the ruling party and the opposition supported such a requirement. Otherwise, a proposed expenditure item could turn a surplus budget into deficit or increase the extent of deficit, and this was not acceptable.

3.40 Dr Goran Marić, Chairman of the Committee on Finance and Central Budget, introduced the work of the State Audit Office to the delegation. Dr Marić said that the State Audit Office, headed by the Auditor General, was an independent institution and was accountable to the Croatian Parliament. The Auditor General was appointed by the Parliament. The State Audit Office submitted yearly reports to the Parliament on the audits conducted in the previous year. It can also submit ad hoc reports. The Committee on Finance and Central Budget was responsible for considering these reports.

3.41 In response to the delegation's enquiry, Dr Marić said that the Committee discussed the reports openly but it would not summon the ministries to answer questions. If irregularities were detected, the ministry concerned would be ordered to correct them. Dr Marić further informed the delegation that as required by the EU, Croatia was preparing a legal framework to enhance the independence of the State Audit Office and increase its control over public spending.

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Special committees

3.42 Mr Josip Sesar, Secretary General of the Croatian Parliament, briefed the delegation that the four special committees of the Parliament were the National Committee, Commission for Conflict of Interest in the Exercise of Public Office, Council for Civilian Oversight of Security and Intelligence Agencies, and National Council for Monitoring Anti-Corruption Strategy Implementation.

3.43 Mr Sesar informed the delegation that the National Committee was established by the Croatian Parliament in January 2005 as a special working body tasked to monitor the negotiations on Croatia's accession to the EU.

3.44 As for the Commission for Conflict of Interest in the Exercise of Public Office, Mr Sesar said that the Commission was responsible for making a decision on whether a certain activity was in compliance with the principles of public office, and on whether a certain activity or negligence amounted to a violation of the provisions of the Act on the Prevention of Conflict of Interest in the Exercise of Public Office. Members of the public can make anonymous reports on suspected cases of conflict of interest to the Commission. In response to the delegation's question, Mr Sesar said that the Commission also handled complaints on conflict of interest regarding MPs.

3.45 The delegation was advised that the Council for Civilian Oversight of Security and Intelligence Agencies was established pursuant to the Republic of Croatia Security Services Act with the basic aim of providing civilian oversight on the work of security services. The Council monitored the legality of the work of security agencies, as well as the application of measures for gathering confidential data. Any findings and information thereon were submitted as a report to the National Security Council, the Speaker of the Croatian Parliament, the chairperson of the parliamentary committee in charge of national security, and the directors of all security and intelligence agencies.

3.46 Regarding the National Council for Monitoring Anti-Corruption Strategy Implementation, Mr Sesar said that its main purpose was to strengthen supervision over the bodies in charge of implementing the country's Anti-Corruption Strategy. The National Council controlled and followed closely the implementation of the Strategy and examined the data on corruption provided by the relevant bodies regularly.

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Local and regional self-government

Primorsko-Goranska County Assembly and Rijeka City Council

3.47 The delegation notes that the Local and Regional Self-Government Act, adopted in 2001, established the units of local and regional self-government, their scope and organization, as well as their functioning rules. There are two levels of sub-national government in Croatia: cities and municipalities, as well as counties.

3.48 Cities and municipalities are responsible for matters of local importance, including housing, physical and town planning, local economic matters, childcare, welfare, primary health care, pre-school and elementary school education, culture, sport, and environmental protection. Counties are responsible for matters of regional significance, particularly those relating to economic development, traffic and transportation infrastructure, and planning and development of the network of educational, healthcare, welfare and cultural establishments.



Meeting with Mr Ingo Kamenar and Mr Željko Plazonić, Deputy Presidents of County Assembly of Primorsko-Goranska County

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3.49 Mr Ingo Kamenar and Mr Željko Plazonić, Deputy Presidents of the County Assembly of the Primorsko-Goranska County, told the delegation that the Primorsko-Goranska County was a unit of local government comprising all citizens residing in the City of Rijeka, 14 towns and 21 municipalities. The Primorsko-Goranska County Assembly is the representative body of the citizens of the County and the body of local government, which passes enactments within the framework of its jurisdiction and performs other duties in accordance with the Law and Statute of the County. The Assembly comprises of 42 members and is headed by a President and two Vice-Presidents. It has 13 committees operating as permanent task forces.

3.50 The delegation was informed that in 2007, the Parliament passed an election law that allowed direct election of Mayors and County Prefects and made it easier to conduct referenda to change a Mayor or County Prefect. The first direct elections of Mayors were held in June 2009.

3.51 According to Mr Kamenar and Mr Plazonić, the Primorsko-Goranska County undertook activities that focused on the achievement of harmonized economic and social development of the towns and municipalities on the territory of the County, as well as the County as a whole. They also told the delegation that in the face of the declining shipbuilding industry, the County aimed to develop tourism in the region. A master plan setting out the targets and strategies had been adopted, and it emphasized sustainable development, promotion of the region's high-quality water and air, preservation of the region's rich heritage, etc.

3.52 The delegation was advised that similar to the government of other counties, the Primorsko-Goranska County wished to have greater autonomy in generating incomes, especially via taxes, for implementing its policies and strategies.

3.53 Ms Dorotea Pešić-Bukovac, President of the Rijeka City Council, briefed the delegation. She said that the Rijeka City Council is the representative body of the citizens of the City of Rijeka and a local self-government body. It performs activities in accordance with the Constitution, Law and Statute of the City of Rijeka. The City Council has a President and two Vice-Presidents who are elected by members of the City Council. Another Vice-President is elected by members of the national minorities. The Rijeka City Council has 35 councillors in the 2009-2013 term.

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Meeting with Ms Dorotea Pešić-Bukovac, President of the City Council of City of Rijeka, and Mr Miroslav Matešić, Deputy Mayor of City of Rijeka

3.54 Ms Pešić-Bukovac said that the composition of the City Council safeguarded the rights of the national minorities in Rijeka. The representation of the autochthonous Italian minority in the City Council was exemplified by electing one member of the City Council belonging to the autochthonous Italian minority. The representation of the Serbian national minority in the City Council was exemplified by electing one member of the City Council belonging to the Serbian national minority.

3.55 The Mayor represented the City and was the holder of executive power. The Mayor carried out the executive activities as laid down by the Statute of the City of Rijeka, in conformity with the authorities set out in the Local and Regional Self-Government Act, as well as a number of specific laws that regulated local activities.

3.56 The delegation was informed that Rijeka's source of revenue included the sale of land, taxes and capital income. Despite the recent economic recession, Rijeka still maintained a balanced budget, but government expenditure had been reduced.

3.57 On the challenges faced by Rijeka, Mr Miroslav Matešić, Deputy Mayor of the City of Rijeka, said that Rijeka used to be an industrial city with a lot of shipyards and a strong shipbuilding industry. However, many shipyards had been closed down or relocated to places outside Rijeka, and many people lost their jobs.

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3.58 The delegation was advised that in response to the economic challenge, the Rijeka Gateway project was launched. The Project's overall objective was to increase Croatia's trade competitiveness by improving the international transport chain through the Rijeka Gateway for both freight and passengers traffic through modernizing the port and road network connections, and privatizing port operations. The three components of the Project included the restructuring and modernization of the Rijeka Port, redevelopment of part of the Rijeka Port for urban purposes, and improving international road connections linked to the Rijeka Gateway.

3.59 Under the Rijeka Gateway project, the Rijeka City Government encouraged the construction of a new marina in Porto Baross, which would be able to provide comprehensive service to tourists and yachtsmen and position Rijeka as a centre of nautical tourism.

3.60 In reply to the delegation's enquiry, Ms Pešić-Bukovac said that the people of Rijeka were satisfied with their life after the political transformation in the 1990s. The national minorities enjoyed equal rights as other citizens and lived in harmony with other Croatsians.

Port of Rijeka Authority

3.61 The delegation notes that the Port of Rijeka Authority is a non-profit-making institution established by a Decision of the Government of the Republic of Croatia, pursuant to the Maritime Port Law. It has been established to manage, construct and use the Port of Rijeka as a port open for international public traffic. In view of its size and importance, the Port of Rijeka has been declared as the port of vital economic interest for Croatia.

3.62 Mr Zeljko Glavan, Deputy Executive Director of the Port of Rijeka Authority, informed the delegation that the one of the main objectives of the Authority was to improve the port area. For this purpose, the Port of Rijeka Authority developed one-year, two-year and other investment plans pursuant to the 10-year Development Plan for the port system of Croatia.

3.63 The delegation was informed that the Rijeka Port was being modernized under the Rijeka Gateway project with the aim of increasing efficiency and improving the financial, social and environmental conditions at the Port by rehabilitating infrastructure and replacing equipment.

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3.64 In response to the delegation's enquiry, Mr Glavan said that the business of the Rijeka Port had decreased by about 10% to 20% due to the impact of the financial crisis. Currently, the Port of Rijeka Authority was undergoing a privatization process which should complete in two years' time.



Briefing by Mr Zeljko Glavan, Deputy Executive Director of Port of Rijeka Authority, and representatives of the management

University of Rijeka

3.65 The delegation notes that the University of Rijeka is a state-funded university under the direct authority of the Ministry of Science and Technology. Pursuant to the Act on Scientific Activity and Higher Education, the University is managed by the University Senate, the University Council and the Rector who coordinates the work of the members regarding the implementation of the Senate's decisions.

3.66 Dr Pero Lučin, Rector of the University of Rijeka, briefed the delegation. He said that since 2003, Croatia had implemented an intensive reform of its higher education system in line with its national needs and European standards. In response, the University of Rijeka had carried out a lot of development activities. It had successfully reformed the study programmes and implemented the credit system and the system based on three main cycles (undergraduate, graduate and post-graduate study). It had also created a quality assurance system for every programme and institution.

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3.67 Dr Lučin said that in view of the forthcoming accession of Croatia to the EU and the University's formal inclusion into the European Higher Education and Research Area, it was necessary for the University to formulate a strategy of development that would ensure its stable development. The University Senate had therefore adopted the Strategy 2007-2013.

3.68 Dr Lučin further informed the delegation that the University of Rijeka had been constructing a new University Campus at Trsat. The first phase of the construction would be completed in the coming few months. With the new campus, the entire image of the University would be fundamentally changed, and the infrastructure and overall standard of living and studying for students would be significantly improved.

3.69 Responding to the delegation's enquiry, Dr Lučin said that about 70% of the University's income was from the state budget and about 30% from other sources. Although the University was funded by public money, it was not controlled by the Government and had full autonomy. Students of the University were active in politics. Student unions were completely independent and engaged in the development of the University.



Meeting with Dr Pero Lučin, Rector of University of Rijeka, and senior staff of the University

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Electoral system

3.70 The delegation notes that in the first 10 years of Croatia's independence, the country underwent three major electoral reforms in 1990, 1992 and 2000. The electoral models for the first chamber of the Parliament were remoulded in each of the four elections between 1990 and 2000: a system based on majority vote in single-seat constituencies in 1990; a mixed system combining the principles of simple majority and proportional representation in 1992, with equal ratio of seats contested using each system; a mixed system with increased reliance on proportional representation in 1995; and a proportional representation system in 2000.

3.71 The delegation also notes that the current election law in Croatia provides for a proportional voting system, with 10 constituencies holding 14 seats each, plus eight seats for national minorities in one national constituency, and a variable number of seats elected by Croatians residing abroad in a special constituency. A minimum of 5% of all votes cast in a constituency is required to receive a mandate.

3.72 Members of the Committee on European Integration informed the delegation that the allocation of eight seats for national minorities safeguarded the political interest of the minorities in Croatia. Some candidates for minority seats received only a small number of votes but were still elected as MPs.

3.73 The delegation was told that the reason for the frequent and radical changes of the electoral system was that Croatia was a country with a short history of multi-party elections, thus it was natural for it to experiment with different electoral systems to see which best suited its needs and to make improvements.

3.74 The delegation was also informed that there were currently discussions in the Parliament on the need to further change the electoral law. One reason was that Croatian citizens living abroad were given the right to vote in parliamentary elections. The main political parties in the Parliament held different views on whether this should be changed. The latest parliamentary elections held in 2007 revealed that registration lists were not completely accurate and election financing was a concern.

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3.75 Regarding the proportional representation system currently adopted by Croatia, the delegation was told that the system could result in fragmentation of parliamentary seats among political parties. Such a phenomenon was evident in past elections. In the 1992 and 1995 elections, there were a large number of political parties each gaining a small number of seats. Whether the country should adopt an electoral system that would return less political parties in the Parliament was a matter to be explored.

3.76 During its meeting with officials of various political parties and heads of caucuses, the delegation was informed that under the current electoral system, the chance of independents being elected was very slim. As a result, people who wanted to participate in politics would have to join political parties. As it was the political parties which determined the candidates to be included in their party lists for parliamentary elections, the parties could in effect decide who would be MPs. In these Members' view, this was not desirable because only those persons who were obedient to the party chief would have the chance of being put forward in the party lists and ultimately becoming MPs. They considered that it would be preferable to change the current system to one that allowed the direct election of MPs by voters.



Working lunch hosted by Mr Josip Leko,
Deputy Chairman of Committee on the Constitution,
Standing Orders and Political System of the Croatian Parliament

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Political parties

3.77 The delegation notes that since December 2006, the financing of political parties in Croatia has been regulated by the Act on Financing Political Parties, Independent Lists and Candidates. The Act aims to enhance regulation regarding the control of the financing of political parties and the transparency of their financing, as a way of reducing the possibilities of corruption. Under this Act, the possible sources of finance of political parties and permissible funds are specified, anonymous donations are banned, and pecuniary sanctions are introduced. Furthermore, political parties are obliged to submit annual financial statements and financial reports to the State Audit Office and the Ministry of Finance Tax Administration, and to make them publicly available by posting them on their websites. The Act also stipulates the total amount of donations that can be given by natural and legal persons to political parties.

3.78 During their meeting with the delegation, officials of various political parties and heads of caucuses said that they supported regulating the financing of political parties and the amount of donation that could be received. They considered that such regulation was necessary and reasonable, and could help to build public confidence in the political parties.

3.79 As for the political parties' source of funding, the delegation was advised that political parties in Croatia relied heavily on state subsidies for performing their regular and campaign activities. Public funding of political parties was apportioned annually by the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament, in proportion to the seats obtained by each party in the previous election. According to the Members of the Committee on European Integration, public funding represented more than 70% of the total revenues of political parties and was sufficient for their work.

3.80 Regarding the participation of women in politics, Members of the Committee on European Integration told the delegation that among the 153 Members of the Croatian Parliament, 35 were women, which was a rather high level. However, the level of women's participation at the county level was not as satisfactory. Women were not active in politics because traditionally they were expected to take care of the family and fulfil their obligations at home. The members also said that the Gender Equality Committee of the Croatian Parliament was responsible for promoting equal gender representation in the composition of parliamentary working bodies and

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delegations, and it had launched programmes to educate women and stimulate their interest in politics.

3.81 The delegation was further informed that Croatia encouraged women's participation in politics by providing financial incentive to political parties. Under the mechanism for allocating public funding to political parties, a political party would receive 30% more funding for a female MP than a male MP. As such, political parties were encouraged to put forward more female candidates in elections and have more female MPs.

Protection of rights of ethnic minorities

3.82 The delegation notes that Article 15 of the Croatian Constitution stipulates that members of all nations and minorities possess the freedom to express their nationality, the freedom to use their language and script as well as their cultural autonomy. The Anti-discrimination Act, which was adopted in July 2008 and came into force in January 2009, provides for the protection of minorities, and promotes equality as the highest value of the constitutional order of Croatia.

3.83 The delegation paid a visit to the Italian Union to gain an understanding of Croatia's efforts in protecting the rights of the minorities in the country.



Meeting with Mr Maurizio Tremul,
Chairman of the Executive Committee of the Italian Union

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3.84 The delegation notes that the Italian Union is a unitary, autonomous, democratic and pluralistic organization of the Italians in Croatia and the Republic of Slovenia, representing their political, economic, cultural and social needs. Established in July 1991, the Italian Union's main objectives are: safeguarding and fostering the national, cultural and linguistic identity of members of the Italian national community, affirmation of their specific rights, maintenance of integrity and indivisibility, affirmation of subjectivity and attainment of equal juridical and constitutional treatment of the Italian national community.

3.85 Mr Maurizio Tremul, Chairman of the Executive Committee of the Italian Union, informed the delegation that Croatia acknowledged more than 20 autochthonous minorities in the country, including Serbian, Hungarian, Italian, Czech, Slovak, Austrian, Bulgarian, German, Polish, etc. Croatia protects its minorities with a series of special rights, which are defined by the Constitution and specific laws, such as the constitutional law on national minorities' rights, the law on the use of the languages and script of the national minorities in Croatia, the law on education and upbringing in national minorities' languages, as well as other local law at the municipal and regional levels.

3.86 Mr Tremul said that the Croatian Constitution granted members of the Italian national community the right to participate in public life and in local affairs, through the councils and representatives of the national minorities. The Councils of the Italian National Community were established with the role of safeguarding and promoting the position of the Italian minority in society. In other words, the Councils were on the lookout for the respect of the law in matters of minorities.

3.87 The Croatian Constitution also granted the Italian national community the right to be represented in the Parliament and in the representative bodies at the local levels. According to the election law, eight seats in the Parliament were allocated to national minorities. The representation of national minorities in the self-governing units of municipalities and regions was also guaranteed by law and was based on the percentage of the minorities living therein. Mr Tremul advised the delegation that in the recent elections of Mayors and City Council members, the representation requirements had been complied with.

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3.88 Mr Tremul said that at present, the Italian Union was striving for double voting rights for the Italian community, i.e. one vote for the minorities and one vote for the political parties. In response to the delegation's enquiry about the justification for the proposal, Mr Tremul explained that although normally one person only had one vote, the minorities in India had two votes. The Italian Union wanted to attain the highest possible level of rights for the Italian community.

3.89 Mr Tremul further briefed the delegation that schools had always been the Italian national community's vital roots as they promoted the conservation and transmission of the Italian language and culture. According to Mr Tremul, the school system in the Italian language in Croatia was arranged in several stages: kindergarten, primary school (nine-year compulsory education) and upper secondary school. There were 13 kindergartens, 11 primary schools and four secondary schools in the Italian school system which were funded by the state. The language of instruction in these schools was Italian, but the school programmes were very similar to those of the majority, with the additional subject of "Italian language and literature" and some supplements in the programmes of geography and history. Some universities also offered Italian language and literature courses.

3.90 On the employment prospects of the graduates of Italian schools, Mr Tremul said that the graduates were bilingual in the Italian and Croatian languages. This gave them an added advantage in seeking employment. Regarding the existence of ethnically-based discrimination, Mr Tremul advised that although there had been such problems in the past, there was no question of the Italian minority being discriminated in Croatia nowadays. In his view, the Italian minority integrated well with the majority and the anti-discrimination laws were observed.

Civil society

3.91 The delegation notes that in 2003, Croatia established the Government Office for Co-operation with NGOs, the Council for Civil Society Development and the National Foundation for Civil Society Development to support the growth of the NGO sector. In July 2006, the Croatian Government also adopted a comprehensive legal framework and strategy with a view to creating a sustainable environment for civil society.

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3.92 The delegation visited two NGOs in Zagreb, namely GONG and the Croatian Friendship Society with China.

GONG

3.93 The delegation notes that GONG is a non-partisan civic organization founded in 1997 to specifically monitor elections and educate voters. Since 1999, GONG has undertaken nine nation-wide election monitoring campaigns, with more than 17,000 Croatian citizens volunteering to monitor these elections.

3.94 According to Ms Sandra Pernar, Executive Director of GONG, GONG's aim was to encourage citizens to actively participate in political processes. GONG conducted non-partisan monitoring of the election process, educated citizens about their rights and duties, encouraged mutual communication between citizens and their elected representatives, promoted transparency of work within public services, and managed public advocacy campaigns, as well as encouraged and helped citizens in self-organizing initiatives. GONG's projects and activities were lined up according to four strategic guidelines and programmatic areas: representative democracy, participatory democracy, civil society development and international relations.

3.95 The delegation was informed that GONG's projects and activities were well received by the Croatian people. According to a research conducted by GONG, more than four fifths of the respondents were familiar with GONG's work, and citizens mostly had a positive impression of GONG and rated GONG's work as useful to Croatian society. Moreover, a large number of volunteers and members actively participated in GONG's activities, such as distributing materials, helping with organizing GONG's representations on NGO fairs and election observation.

3.96 The delegation was also told that the Croatian Parliament and Government generally responded to GONG's work positively and considered it important. GONG was sometimes invited to sit on working groups and committees to offer its views and proposals. Some of the projects initiated by GONG, like opening up the Parliament to schools and the public, had been taken over by the Parliament. GONG had also developed partner relations with the media.

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3.97 As regards the financing of GONG, the delegation was advised that GONG applied for grants from the National Foundation for Civil Society Development, and received donations from local and overseas organizations, foundations and embassies. The standards and principles of government bodies and offices in approving grants to NGOs for implementing their programmes and projects were stipulated in the "Code of Good Practice, Standards and Benchmarks for the Allocation of Grants for Programmes and Projects of NGOs", which was adopted by the Croatian Parliament.

3.98 On the critical success factors of a civil society organization, GONG considered that it was crucial that the organization did a serious job and not criticize without putting up a solution. Otherwise, although the organization might be able to attract media attention, it would not have sustainable impact. The organization's source of funding should also be as diverse as possible, so that it would not be subject to the undue influence of any of its funding sources. For instance, government funding did not constitute a major proportion of GONG's budget. Furthermore, it was important for the organization to develop rapport with the media and receive its support.



Briefing by Ms Sandra Pernar,
Executive Director of GONG, and other staff members

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Croatian Friendship Society with China

3.99 The delegation notes that Croatian Friendship Society with China is one of the friendship societies formed by the Co-ordination of the Croatian Friendship Societies ("the Co-ordination"), which is an NGO. The Co-ordination's mission is to enhance international ties and international relations. The friendship societies represent their respective friendly countries and work towards promoting international friendship and understanding.

3.100 According to Mr Andrija Karafilipović, Secretary General of the Co-ordination and Head of the Friendship Society with China, the Co-ordination received funding support from the Croatian Government and published detailed financial reports on the use of government funds. The Chinese Embassy in Croatia also provided financial and other assistance to the Co-ordination. The Co-ordination was established with a view to promoting friendship with the international community and to encourage exchanges between Croatia and other countries in areas of science, culture, sports, etc. Croatia had good relations with China, and Zagreb and Shanghai were sister cities. A lot of activities had been organized by the Co-ordination in the two cities to promote bilateral understanding.

3.101 In response to the enquiry of members of the Friendship Society, the delegation gave them an account of Hong Kong's experience in implementing the concept of "one country, two systems".



Visit to the Croatian Friendship Society with China

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Parliamentary services

Staff Service of the Croatian Parliament

3.102 The delegation notes that the Staff Service of the Croatian Parliament performs professional, analytical, administrative, security, technical and other tasks to assist the Parliament in its work. In particular, the Staff Service handles all operations relating to the convening and holding of sessions of the Parliament and its committees. It was responsible for the preparation of draft legislation, conclusions, reports and minutes, as well as the analysis of materials and draft legislation forwarded to the Parliament to assess their compliance with Croatia's Constitution and legal system. The Staff Service also processes legislation enacted at parliamentary sessions to facilitate their publication in the country's official journal or forward them to bodies vested with public authority.

3.103 The delegation received a briefing by Mr Josip Sesar, Secretary General of the Croatian Parliament, on the work of the Staff Service and the support provided to MPs. According to Mr Sesar, the Staff Service provided assistance to individual MPs in the rendering of their parliamentary duties, primarily in the preparation of the bills that they sponsored, and the activities and tasks entrusted to them by parliamentary committees. In addition, the Staff Service assisted them in securing supplementary materials, documents and data for individual topics on the agenda of the Parliament or its committees.



Briefing by Mr Josip Sesar,
Secretary General of the Croatian Parliament and Heads of Departments

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3.104 Mr Sesar said that there were about 260 staff members in the Staff Service, including civil servants and appointed officials. They were responsible for servicing all 30 committees, four special committees and friendship groups formed by the Parliament with 60 countries, including China.

3.105 The delegation was informed that members of the public were welcome to visit the Parliament. The Public Relations Department was responsible for organizing the visits, during which visitors would receive briefings on the Croatian Parliament's history, rules for the election of deputies to the Parliament, legislative procedures, party structure of deputies and other topics.

3.106 Mr Sesar further said that the budget of the Croatian Parliament was a part of the state budget. As the Croatian economy was currently in recession due to the international financial crisis, the Parliament's budget would also be adversely affected. He also said that the amount of public funding allocated to political parties was in proportion to the number of seats they held in the Parliament. The political parties could use the money to employ staff and consultants to assist in their work, but the expenditure would not be reimbursed.

3.107 On the provision of offices to MPs, Mr Sesar informed the delegation that there was insufficient space to provide all 153 MPs with offices in the Parliament Building, but the nine caucuses and the chairpersons of committees were provided with offices in the Building. At present, they lacked 50 rooms, and some MPs had to share rooms or work in premises near the Parliament. In response to the delegation's enquiry, Mr Sesar said that MPs working elsewhere could manage to return to the Parliament to take part in voting as all voting was organized to take place at a specified time in a week. Staff would also remind MPs by phone and SMS so that they could return in time to vote.

3.108 During their meeting with the delegation, officials of various political parties and heads of caucuses expressed dissatisfaction over the lack of offices in the Parliament for MPs. They said that their effort to strive for offices in the Parliament Building had not been successful.

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Croatian Parliament Building

3.109 Officials of the Staff Service conducted a tour of the Croatian Parliament Building for the delegation. The delegation was informed that the Croatian Parliament Building was formerly known as the Baroque Palace, and the Croatian Parliament convened its first session in this building on 6 May 1737. The delegation visited the Chamber where parliamentary plenary sessions were held, committee meeting rooms and offices of caucuses in the Building.

3.110 The delegation also visited the Information and Documentation Department and Library of the Croatian Parliament and received a briefing on their work.

3.111 The delegation was advised that the Information and Documentation Department was charged with the indexing and archiving of all acts of the Parliament. It provided full reference service and responded to requests for information from MPs and parliamentary staff about bills in progress and transcripts of plenary sessions. It also kept track of the Parliament's legislative activity. The delegation was also told that the Library maintained and preserved a wide range of collections in various fields e.g. law, politics, history, economics and the arts. Its main objective was to provide MPs, committees and the Parliamentary Staff Service with information and publications relevant to their work.



Visit to the Chamber of the Croatian Parliament Building

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Visit to the offices of the Croatian Parliament

Observations of the delegation

3.112 The delegation is highly impressed that Croatia attached great importance to the visit and arranged high-level reception for the delegation. Prof Dr Ante Simonić, Ambassador of the Republic of Croatia to the People's Republic of China, specially flew to Hong Kong to meet the delegation and help prepare for the visit. He offered useful advice and assistance in drawing up a very comprehensive programme and accompanied the delegation throughout its stay in Croatia. Although the delegation visited the Croatian Parliament when it was not in session, the delegation was very warmly received. Many MPs from different political parties attended the meetings with the delegation and shared their views on a variety of issues.

3.113 During the visit, the delegation observes that Croatia attaches importance to relations with China. Croatia has now become China's largest trading partner in Southeast Europe, and high-level exchanges between the two countries have become increasingly close. For instance, Chinese President Hu Jintao paid a visit to Croatia in June 2009.

3.114 The delegation notes that the life of the Croatian people has improved after the country's political transformation, and there are positive signs of the country's further democratic development, as set out below.

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3.115 Economically, Croatia has experienced steady and moderate economic growth since 2001, and the unemployment rate has steadily declined from about 16% in 2000 to 9.6% in 2007. The economic life of the people has improved after democratization.

3.116 The delegation finds that the process of accession to the EU has a significant and positive impact on Croatia's democratic development. Croatia accords top priority to gaining accession to the EU and has embarked on accession negotiations since 2005. In order to meet the requirements for entering the EU, Croatia has to carry out a series of reforms, including legal, economic and education reforms, and adopt a whole set of social, cultural and democratic values that are comparable to the standards of EU. For instance, Croatia has launched a large-scale exercise to harmonize the Croatian legal system with the EU legal system. A number of programmes have also been launched to improve the legal and judicial systems and restore public trust in the legal profession and judges.

3.117 In the delegation's view, the EU accession process has provided great impetus and a good opportunity for Croatia to reform the country's backward institutions and systems. Although such reforms are essential to the long-term development of the country, they are likely to meet with opposition. Nevertheless, given the country's unanimous goal of gaining accession to the EU, the reforms can be implemented at a rapid pace and the opposition can be overcome.

3.118 Croatia passed an election law in 2007 to implement the direct election of Mayors and County Prefects, and the first direct elections of Mayors were held in June 2009. The delegation considers that the direct election of Mayors and County Prefects will increase the accountability of the local government.

3.119 Croatia enacted the Act on Financing Political Parties, Independent Lists and Candidates to enhance the regulation of the financing of political parties and the transparency of their financing, as a way of reducing the possibilities of corruption. The Act also stipulates the total amount of donations that can be given to political parties. Increased regulation and transparency of the financing of political parties is conducive to building public confidence in political parties.

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3.120 Croatia provides financial incentives to encourage women's participation in politics. Under the mechanism for allocating public funding to political parties, a political party will receive more funding for a female MP than a male MP. This is an effective measure to encourage political parties to put forward more female candidates in their party lists for elections and to have more female MPs.

3.121 The national minorities in Croatia are granted a series of special rights by the Croatian Constitution and specific laws. Under the Croatian Constitution, they have the right to be represented in the Parliament and the representative bodies at the local levels. The national minorities are allocated eight seats in the Parliament and their representation in the self-governing units of municipalities and regions are also guaranteed by law. For instance, in Rijeka, one seat in the City Council is allocated to the autochthonous Italian minority and one seat is allocated to the Serbian national minority. The Italian minority has its own school system, which is crucial for the conservation and transmission of the Italian language and culture. The delegation observes that the Italian minority in Croatia integrates well with the majority and is satisfied with their life in the country.

3.122 The Croatian Government proactively supports the growth of the NGO sector through the provision of funding and the establishment of a comprehensive legal framework and strategy, which aim at creating a sustainable environment for civil society. The delegation is particularly impressed that in Croatia, the standards and principles of government bodies and offices in approving grants from the state budget to NGOs for implementing their programmes and projects are set out in a code of practice adopted by the Croatian Parliament. In the delegation's view, a set of clear and transparent standards and principles for distributing public funds to NGOs can enhance public confidence in the fairness of the allocation mechanism and dispel the suspicion that some NGOs are treated more favourably than others. The delegation considers this a useful reference for Hong Kong.

3.123 The delegation finds that GONG is a very successful civil society organization. Its projects and activities are well received by the Croatian people and it has the support of a large number of volunteers and members. It is regarded as a partner by the Croatian Parliament and Government. The delegation also considers GONG's advice on the critical success factors of civil society organizations (i.e. not to criticize without putting up a solution, diversify the source of funding and develop rapport with the media) useful to similar organizations in Hong Kong.

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3.124 From its meetings with various committees, the delegation is given to understand that the Croatian Parliament currently faces the problem of low popularity rating and a lack of public trust. Some MPs consider that this is partly due to the gap between people's high expectation of the Parliament's ability to reform corrupt and inefficient government institutions and the Parliament's limited ability in reality, and partly due to the media's strategy of criticizing the Parliament and MPs.

3.125 The delegation finds that there is a lack of office space for MPs in the Parliament. As the political system in Croatia emphasizes the importance of political parties, the Staff Service of the Croatian Parliament tends to pay greater attention to meeting the needs of political parties than those of individual MPs. For instance, unlike the nine caucuses and the chairpersons of committees who are provided with offices in the Parliament Building, some MPs have to share rooms or work in premises near the Parliament. The delegation considers such an arrangement highly undesirable.

3.126 On Croatia's electoral system, the delegation notes that under the current system, the chance of independents being elected is slim and people who want to participate in politics will have to join the political parties. As it is the political parties which determine the candidates to be included in their party lists for parliamentary elections, the parties in effect decide who will be MPs. The delegation considers that while this system provides influential power to political parties, it belittles the efforts of the individuals. Some MPs have demanded that the system be changed to one that allows the direct election of MPs by voters.

3.127 Regarding the committees of the Croatian Parliament, the delegation notes that the Croatian Parliament has established the Council for Civilian Oversight of Security and Intelligence Agencies to monitor the legality of the work of security and intelligence agencies, and the National Council for Monitoring Anti-Corruption Strategy Implementation to strengthen supervision over the bodies in charge of implementing the Anti-Corruption Strategy of Croatia. The delegation considers that these two committees provides useful reference for Hong Kong and the Legislative Council should consider setting up similar committees to oversee the legality of the work of the security and intelligence agencies.

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3.128 During its visit in Rijeka, the delegation finds that the city is undergoing economic transformation due to the declining shipbuilding industry. The delegation is impressed by the Croatian Government's effort to boost the economy. For instance, the Rijeka Gateway project has been launched to increase the country's trade competitiveness, which includes restructuring and modernization of the Rijeka Port, redevelopment of part of the Rijeka Port for urban purposes, and improvement of international road connections linked to the Rijeka Gateway. The Rijeka City Government has also introduced projects to position Rijeka as a centre of nautical tourism.

CHAPTER 4: THE REPUBLIC OF HUNGARY

Visit programme

4.1 During its visit to the Republic of Hungary ("Hungary"), the delegation met with Mr László Mandur, Vice Speaker of the Hungarian National Assembly, and members of various committees, and received briefings by senior staff of the Office of the Hungarian National Assembly. The delegation also attended a dinner hosted by Mr László Varju, Chairman of the National Assembly's Hungary-China Inter-parliamentary Union Friendship Group and State Secretary of the Ministry of National Development and Economy, and a lunch hosted by Mr Zoltán Balog, Chairman of the Committee on Human Rights, Minorities, Civil and Religious Affairs of the Hungarian National Assembly.

4.2 In addition, the delegation held meetings with Mr Dezső Avarkeszi, State Secretary of the Ministry of Justice and Law Enforcement, and Mr László Várkonyi, State Secretary of the Ministry of Foreign Affairs.

4.3 Through these meetings and briefings, the delegation gained an in-depth understanding of the constitutional and political developments in Hungary from different perspectives. The delegation also obtained first-hand information about Hungary's electoral system, political parties, protection of ethnic minorities and development of civil society, as well as how its EU membership affected the country and the Hungarian people.



Presentation of souvenir to Mr László Mandur,
Vice Speaker of the Hungarian National Assembly

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Constitutional and political development of the Republic of Hungary

Recent history of constitutional and political development

4.4 In May 1988, the long-standing leader of the Communist Party who had ruled Hungary since 1956, János Kádár, was forced to resign in the face of increasing economic difficulties in the country, and was replaced by the more reform-oriented Károly Grósz. Grósz and other party reformers began to accelerate political and economic reforms in Hungary. In January 1989, the Hungarian Communist Party's Central Committee endorsed in principle a multi-party political system and legalized non-communist parties, as a response to the increasingly strong opposition movement which demanded free elections, democracy and greater independence from the Soviet Union. The ruling Communist Party soon started negotiations with the opposition forces, comprising representatives of new parties, re-emerging old parties and social groups, which were later formalized as the "Round Table Talks".

4.5 Through the "Round Table Talks" from June to September 1989, Hungary achieved a peaceful transition from a communist regime to a parliamentary democracy. Major changes to the Hungarian Constitution in preparation for multi-party elections and the transition to a democratic political system were discussed at these talks. In October 1989, the Communist Party convened its last congress, and agreed to give up its monopoly on power.

4.6 The first multi-party elections in Hungary were held in March 1990. Four subsequent elections were held for all seats in the Parliament at four-year intervals, with the latest elections being held in 2006.

Political system

4.7 Hungary had an estimated population of 9,930,915 in July 2008. Under the amended Constitution adopted in 1989¹, Hungary is a parliamentary republic. The legislative power is exercised by the unicameral Parliament, i.e. the National Assembly of Hungary, which comprises 386 Members who are elected for a four-year term. The two major functions of the National Assembly are enacting legislation and exercising control over the Government. The most important tasks related to these functions include adopting the Constitution, defining the social and economic objectives of the country,

¹ Hungary did not adopt a new Constitution after the fall of communism in 1989, but made comprehensive amendments to the Constitution adopted in 1949, which was the first written Constitution of the country.

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approving the state budget, electing the President of the Republic, the Prime Minister and major officials of the state, approving international treaties, making decisions on the declaration of a state of war or emergency and calling a national referendum.

4.8 Sittings of the National Assembly are chaired by the Speaker and Deputy Speakers assisted by Notaries of the House, all of whom are elected from among the Members by secret ballot.

4.9 The President of the Republic is the head of state and Commander-in-Chief of the Hungarian Armed Forces. The President is elected by the Parliament for a five-year term and may be re-elected for one additional term. He primarily serves representative and symbolic functions. As the leading dignitary of the country, the President represents the entire nation on state occasions and on the international stage. The President has a limited role in the formation of Government. He does not appoint the Prime Minister, but can nominate a candidate to be elected by the National Assembly. The candidate is usually proposed by the ruling party.

4.10 The powers of the President may be exercised by the Speaker of the National Assembly when the President is temporarily prevented from attending to his duties, or when his mandate comes to an end prematurely.

4.11 Executive power is exercised by the Government headed by the Prime Minister. The National Assembly elects the Prime Minister by a simple majority of MPs. The Ministers are proposed by the Prime Minister, and appointed by the President of Hungary who can also relieve their duties.

Judicial system

4.12 Hungary has a four-tier judicial system consisting of the Supreme Court, regional courts of appeal, county courts (including the Municipal Court of Budapest) and local courts. The Hungarian Judiciary functions as an independent branch of power. Since the reform of 1997, it has been self-governed by the National Judicial Council.

4.13 Under the Constitution, an independent Constitutional Court is established with 11 members elected by the National Assembly. The Constitutional Court's primary function is to safeguard human rights through its interpretation of the Constitution and control of legal norms.

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Process of democratization

4.14 During its meetings in Hungary, the delegation exchanged views with members of the various committees of the Hungarian National Assembly and the State Secretaries on the country's process of democratization, including the achievements attained and problems encountered as well as the challenges that the country currently faced.

4.15 Members of the Hungary-China Inter-parliamentary Union Friendship Group of the Hungarian National Assembly informed the delegation that the transformation of Hungary from a communist regime to a democratic country was the result of negotiations. The transformation was peaceful without bloodshed, followed by a series of peaceful and rapid changes. In the first few years after the transition, there was a process of decentralization of power and a large number of local governments were set up. Large-scale privatization and economic restructurings also took place. Hungary's relationships with neighbouring countries improved and foreign investments were attracted to the country. Nowadays, a larger proportion of the population could receive higher education. In the communist era, only 10% of the young people could attend universities, whereas 50% of the young people had the opportunity to do so now.



Meeting with Mr László Varju, Chairman of the National Assembly's Hungary-China Inter-parliamentary Union Friendship Group and State Secretary of the Ministry of National Development and Economy, and members of the Friendship Group

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4.16 Members of the Friendship Group also pointed out that Hungary had experienced a difficult transition from a planned to market economy. In 1989, the Hungarian people thought that their life would significantly improve in a short time after the political transition. However, the market reforms implemented by the Government in the first few years after the transition did not bring about economic growth as expected by the people. Instead, industrial production shrank dramatically due to reduced exports to the former Soviet bloc and the inability of the state-owned companies to compete with foreign companies. The country also faced high unemployment and inflation rates, and a deteriorating trade balance. In 1995, the Government embarked on a series of austerity measures, including significant reductions in social sector expenditures. The reduction in family allowances, which was a major source of poverty relief during the post-communism transition, created much hardship among the public.

4.17 The living standards of most Hungarian people had declined after the political change. There was thus the feeling among the Hungarian people that the political parties had misled and cheated them. The Hungarians also thought that the political parties were more concerned about acquiring power and had tried to cover up the problems in the country.

4.18 Since 2006, the life of the Hungarian people had become even more difficult. This was because the Government adopted strict fiscal measures to deal with the increasing budget deficit. These measures included tax increases, closure of a large number of government agencies and institutions, increase of employee contributions to healthcare, and reduction of household energy subsidies. As a result, there were anti-government demonstrations and riots.

4.19 The widespread social discontent led to political turmoil. Prime Minister Ferenc Gyurcsány stepped down in March 2009. In the recent European Parliament election, the Hungarian Socialist Party, which was one of the two dominant parties in the Hungarian National Assembly, suffered considerable defeat while the extreme right opposition gained more support. The Speaker of the National Assembly, Katalin Szili, resigned in mid-September 2009. Earlier in the year, she lost in the Mayor election in her hometown. According to the Speaker, she resigned so that she could concentrate on rebuilding the left wing and prepare for the parliamentary elections to be held in 2010.

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4.20 Members of the Friendship Group told the delegation that although Hungary transformed into a democratic country almost 20 years ago, the change in culture had not yet completed. In their view, it took three months to change a piece of legislation and three years to change a system, but changing a culture could take more than 20 years.

4.21 Mr Dezső Avarkeszi, State Secretary of the Ministry of Justice and Law Enforcement, informed the delegation that after the political change, the rule of law in Hungary had improved and there was more protection of the freedom of the people. For instance, laws were enacted to safeguard the freedom of the media and peoples' right to peaceful assembly. The fundamental civil and political rights of Hungarian citizens were also guaranteed by the country's independent Judiciary, the Constitutional Court and ombudsmen.



Meeting with Mr Dezső Avarkeszi,
State Secretary of the Ministry of Justice and Law Enforcement

4.22 According to Mr Avarkeszi, to ensure the independence of the Hungarian Judiciary, the administration of the courts was the prerogative of the National Judicial Council, which was established in 1997. Its functions included appointing and dismissing the presidents and vice-presidents of the regional courts of appeal and the county courts, overseeing the administration of the presidents of the courts (with the exception of the President of the Supreme Court), making recommendations to the President of the Republic on the nomination or relief of judges, and providing for the education and training of judges. Most importantly, the budget proposal for the courts was not prepared by the Government but by the National Judicial Council. As such,

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the budget had to be agreed between the Government and the National Judicial Council.

4.23 The majority of the members of the National Judicial Council (nine out of 15) were judges elected by and among the judges. The other members were the Minister of Justice and Law Enforcement, the Chief Prosecutor, the Chairman of the Hungarian Bar Association, and two MPs appointed by the National Assembly's judicial and financial committees. The Council was presided by the President of the Supreme Court who submitted a report to the National Assembly each year on the overall situation and functioning of the courts and the activities of the Council.

4.24 Members of the Committee on Human Rights, Minorities, Civil and Religious Affairs pointed out to the delegation that the Constitutional Court had a high degree of independence and a separate budget. Its 11 members were all judges elected by the National Assembly. The Constitutional Court's powers included conducting posterior and preventive reviews of the constitutionality of laws, reviewing laws from the aspect of conformity with international treaties, making decisions on whether the National Assembly had omitted a legislative task, and reviewing complaints against violations of the rights provided for in the Constitution. If the Constitutional Court judged a law, or any of its provisions, to be unconstitutional, it declared it to be null and void. Any citizen could turn to the Constitutional Court directly to initiate a posterior review of the constitutionality of a law, and to lodge a complaint about the violations of the rights included in the Constitution or unconstitutional omission to legislate. Members of the Committee on Human Rights, Minorities, Civil and Religious Affairs considered that the Constitutional Court provided very important checks and balance of the Parliament in Hungary.

4.25 The delegation was informed that Hungarian citizens could also turn to the four parliamentary ombudsmen (i.e. the ombudsman for civil rights, the ombudsman for nationalities and minorities, the ombudsman for data protection, and the ombudsman for the environment) for assistance. The ombudsmen were elected by the National Assembly and functioned independently of the Judiciary. They protected privacy rights, ethnic and national minority rights, and the right to life and a healthy environment. Although the ombudsmen had no legal authority, they provided an effective complementary mechanism to protect human rights through their reporting to the National Assembly.

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Impact of the EU membership on Hungary

4.26 The delegation notes that Hungary gained accession to the Organization for Economic Co-operation and Development in 1996, NATO in 1999, and the EU in 2004.

4.27 Mr László Várkonyi, State Secretary of the Ministry of Foreign Affairs, informed the delegation that the priority of Hungary's foreign policy was to maintain good relations with its neighbouring countries. Hungary also attached importance to developing relations with Asian countries, such as China, Japan, Singapore and Korea. In particular, Hungary considered China an important trading partner.



Meeting with Mr László Várkonyi,
State Secretary of the Ministry of Foreign Affairs

4.28 According to Mr Várkonyi, the Hungarian people supported the country's accession to the EU as it meant that the country could join the free world. Through her EU membership, Hungary enjoyed free flow of capital and access to other EU Member States. The EU also provided the means and financial support for the country's economic and social modernization and an opportunity to represent Hungarian interests in the world. Hungary shared the values of the EU, including respect for human dignity, freedom, democracy, equality, rule of law, human and minority rights, freedom of enterprise, as well as the protection of cultural, religious and ethnic diversity. Hopefully, Hungary would join the EURO-zone by 2013-2014.

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4.29 Mr Várkonyi pointed out that joining the EU also brought challenges to the country as it had to compete with other EU members. However, the current economic difficulties of Hungary were a result of the global financial crisis, not accession to the EU. As the country had a large budget deficit, the Government had to increase taxes. In addition, Hungary had to close down 11 consulates-general over the world, including those in Sydney, Chicago and Hong Kong, in order to save costs amid the current economic crisis. The closures were opposed by some Hungarian people and business interests overseas.

4.30 The delegation was told that China had just given approval for the appointment of a honorary consul in Hong Kong. Hungary recognized that Hong Kong played an important role in developing the country's trade relations with China. Hong Kong could be a stepping stone for Hungarian companies which wanted to enter the China market. There were already some Hungarian companies doing business in Shenzhen, using Hong Kong as a base. In response to the delegation's question about Hungarian companies' interest in investing in Hong Kong, Mr Várkonyi said that in deciding whether to locate their business base in Hong Kong, the companies would compare the cost of doing business in Hong Kong, including office rental and salary, with that of other cities in the region.

Electoral system and political parties

4.31 The delegation notes that the legal provisions governing the Hungarian electoral system are laid down in the Act XXXIV of 1989 on the General Parliamentary Elections. The Act institutionalizes a two-vote, mixed-member proportional system.

4.32 Among the 386 MPs, 176 are elected from single-member constituencies in two rounds of election based on majority voting, whereas 152 are from 20 multi-member regional constituencies by party-list proportional representation. In the first round, voters may select candidates running in 176 single-seat constituencies and regional party lists from which 152 candidates may win seats based on proportional representation. Only those constituencies where no single-seat candidate won a majority of all registered voters in the first round go on to hold second-round elections. The remaining 58 seats are filled from the national party lists on a proportional basis, with a 5% electoral threshold.

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4.33 During its meetings with members of various committees and State Secretaries, the delegation was informed that under the Hungarian Constitution, any amendment to the electoral law required a two-thirds majority vote of the National Assembly. The rule aimed to ensure stability of the electoral system. The electoral threshold of 5% could also ensure that there would not be too many political parties in the National Assembly.

4.34 The delegation was informed by members of the Hungary-China Inter-parliamentary Union Friendship Group that there were discussions in the National Assembly about changing the electoral system. In the past, MPs were not allowed to be Mayors or Deputy Mayors, but the restriction was abolished after the elections in 1994. At present, many MPs also served as Mayors or Deputy Mayors. Some parties considered that MPs should not be allowed to hold positions in the local governments because such MPs tended to focus on pursuing local interests instead of the well-being of the whole country. In addition, there were discussions about reducing the number of MPs in the National Assembly. As the political parties had not yet arrived at a consensus on these matters and any changes to the electoral system would require a two-thirds majority vote of the National Assembly, it was unlikely that the proposed changes would be passed.

4.35 Members of various committees further informed the delegation that laws that aimed to effect changes in public administration, local government, education system, etc also required a two-thirds majority. The reason for introducing such a requirement was to ensure broad-based parliamentary backing for the development of the key institutions of the country. The Government and the opposition factions had to arrive at a consensus in order to secure passage of the laws requiring a two-thirds majority. While the rule strengthened the position of the opposition, it also made it very difficult for the Government to carry out reforms needed to cope with changes in the country. For instance, the Government's attempts to push through an Act on Legislation and to amend the Act on the Constitutional Court was not successful.

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4.36 Regarding the participation of young people and women in politics, members of various committees pointed out that the Hungarian people were generally not interested in politics, as indicated by the result of a recent opinion poll. Currently about 10% of MPs were women, which was not a very high percentage. Political parties tried to use modern means of communication to reach out to young people, such as the internet. In past elections, the Hungarian Socialist Party had specified a certain percentage of the candidates in the party list for women and for persons under the age of 30.



Meeting with Ms Judit Csiha, Chairwoman of the Constitutional, Judicial and Standing Orders Committee of the Hungarian National Assembly, and members of the Committee

Protection of rights of ethnic minorities

4.37 The delegation notes that under the Hungarian Constitution, national and ethnic minorities living in Hungary represented a component of the state. They are guaranteed the right to participate in public affairs, develop their cultures, use their native languages, and receive education in their native languages.

4.38 During the respective meetings with the Committee on Human Rights, Minorities, Civil and Religious Affairs as well as Mr György Kerényi, Chief Adviser to the Speaker on questions of minorities, the delegation received briefings on Hungary's efforts in protecting the rights of the minority.

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Meeting with Mr Zoltán Balog, Chairman of the Committee on Human Rights, Minorities, Civil and Religious Affairs of the Hungarian National Assembly, and members of the Committee at a lunch

4.39 The delegation was informed that according to the law, there were 13 recognized national and ethnic minorities in Hungary, i.e. the Bulgarian, Roma, Greek, Croatian, Polish, German, Armenian, Romanian, Ruthenian, Serb, Slovak, Slovene and Ukrainian ethnic groups. The minorities made up about 10% of the population and Roma was the largest minority group in the country. The Hungarian Government supported the strengthening of the identity of minority groups, development of the minority self-government system, and implementation of the cultural autonomy of minorities.

4.40 Hungary had established an independent institution to monitor the implementation of minority rights and investigate complaints of violations, i.e. the ombudsman for nationalities and minorities. The ombudsman was responsible for investigating any abuse of the rights of national or ethnic minorities and initiating measures to remedy it.

4.41 As regards education for the minorities, the delegation was told that minority education was a part of the Hungarian public education system. There were three types of minority schools: schools which taught the minority language as a foreign language, dual-language schools where the humanities were taught in the native language and natural science subjects taught in Hungarian, and schools where all subjects except the Hungarian language and literature were taught in the language of the minority. The number of the last type of minority schools was low because of a lack of suitable teachers, and the children's inadequate grasp of their native language, etc.

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4.42 The delegation was also informed that under the law, the minorities had the right to form their own local and national self-governments. The minority self-governments were elected bodies which represented the interests of the national or ethnic minority at municipal or national level. They were established with the aim of safeguarding cultural autonomy. As such, the minority self-governments had the rights enshrined in the law which allowed them to make decisions in their own spheres of authority on the establishment, taking over and maintenance of institutions, particularly in the areas of local education, local printed and electronic media, and nurturing of traditions and culture.

4.43 On the question of whether the minorities had a given number of seats in the National Assembly, members of the Committee on Human Rights, Minorities, Civil and Religious Affairs said that while there were MPs who belonged to the minorities, they did not have guaranteed representation in the National Assembly. This was in fact a matter which regularly appeared on the agendas of the National Assembly and the Government. The idea of giving the minorities a guaranteed number of parliamentary seats was not supported by some parties as it would allow some candidates winning only a relatively small number of votes in their constituencies to become MPs, and they would have the same rights as other MPs who gained much wider support.

4.44 The delegation was also told that Hungary was very concerned about protecting the interests of ethnic Hungarians living overseas. For instance, Slovakia had introduced a law in September 2009 which imposed a fine on people who spoke languages other than Slovak in public buildings. As there was a large number of ethnic Hungarians living in southern Slovakia, Hungary protested against the discriminatory law.



Meeting with Mr György Kerényi,
Chief Adviser to the Speaker on questions of minorities

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Civil society

4.45 The delegation notes that Hungary has a legal framework governing NGOs, which aids their establishment and operation. The Law on Associations, adopted in 1989, facilitates the registration and administration of NGOs. In 1997, the National Assembly passed amendments to the tax law to grant those NGOs carrying out public benefit activities to receive tax-benefited contributions. Another incentive for the development of the NGO sector is the option for individual taxpayers to designate 1% of their personal income tax to an eligible NGO.

4.46 During its meeting with members of various committees and State Secretaries, the delegation was informed that Hungary had set up a National Civil Fund ("NCF") to provide project and funding support to NGOs. NCF operated on an application basis and was a budget-financed programme to match the total funds contributed by taxpayers every year through the 1% donations. By law, the funds transferred annually to NCF could not be less than 0.5% of the personal income tax actually paid by citizens in the previous budgetary year. NCF had become an important source of funding for NGOs.

4.47 The delegation was also told that a Hungarian citizen could choose to designate 1% of his income tax to a church or other recognized organizations, including NGOs. While this measure was originally introduced to compensate the churches for the loss of some of their properties during the country's political transformation, NGOs also benefited from it. The amount of money designated to NGOs had grown significantly over the years.

Parliamentary services

Remuneration and cost reimbursement for MPs

4.48 During its meeting with Mr Emil Bakos, General Director for Economics of the Hungarian National Assembly, the delegation received a briefing on the remuneration and cost reimbursement for MPs in Hungary.

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Meeting with Mr Emil Bakos,
General Director for Economics of the Hungarian National Assembly

4.49 Mr Bakos said that the remuneration of MPs and the salary of staff employed by party factions were paid from the National Assembly's budget. About 60% of the annual budget of the National Assembly was for payment of salaries and allowances while the remaining 40% was for the operation, maintenance and renovation of buildings.

4.50 MPs' remuneration, cost reimbursements and benefits were regulated by law. The remuneration of MPs consisted of a basic salary and additional payment for each office held. According to the law, the basic salary was six times the current basic salary for a civil servant. It was the National Assembly which decided on the basic salary for civil servants as part of the central budget. If the state of the central budget did not allow increase in salaries, the National Assembly would not raise the remuneration for civil servants, and MPs' remuneration would not be raised as a result. The current basic salary of an MP was HUF238,000, which was approximately EUR900 or HK\$10,200.

4.51 In response to the delegation's enquiry, Mr Bakos said that an MP's current basic salary was in the region of the salary of a civil servant who was a degree holder and had five to 10 years' experience. Starting from early 2010, the average remuneration of an MP would be raised to a level higher than that of a Head of Department but lower than that of a Secretary of State.

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4.52 Mr Bakos further informed the delegation that apart from the basic salary, MPs also received additional payment for holding other offices. An MP who worked on one committee received additional payment corresponding to 70% of the basic salary (i.e. about HUF 170,000, which was approximately EUR650 or HK\$7,300). Nevertheless, if an MP was a member of two committees, he would only receive 25% additional payment for his work. Similarly, the Deputy Speakers received an additional payment (180%), as were Notaries (70%), chairmen of standing committees (120%), deputy chairmen of standing committees (100%), faction leaders (120%) and deputy faction leaders (100%). MPs were required to pay tax and social security on their remuneration.

4.53 In addition, MPs could receive reimbursements for travel expenses and the amount of the allowance depended on the distance between an MP's constituency and Budapest. MPs who did not have a residence in Budapest received an allowance for accommodation. Each MP could employ a private staff, the cost of which would be reimbursed. About HUF140,000 (approximately EUR520 or HK\$6,000) was available for this purpose.

4.54 Mr Bakos said that the law governing MPs' remuneration, cost reimbursements and benefits took into consideration the fact that MPs took part in the work of the National Assembly as members of a faction. As such, it provided an operating budget for the factions as well as the financial resources to pay for administrative support and services of experts. As a rule, independent MPs and opposition factions received more resources than governing party factions. For instance, according to the law, the four party factions in the National Assembly could employ up to 220 staff and the cost would be paid from the National Assembly's budget. Opposition factions were given more resources to hire staff. The current distribution of the staff employed by the party factions was as follows:

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Party factions	Number of MPs in the party factions	Staff employed by the factions
Hungarian Socialist Party	189	94
Fidesz - Hungarian Civic Union	138	78
Christian-Democratic People's Party	23	24
Alliance of Free Democrats	18	20

4.55 As for office accommodation for MPs, Mr Bakos advised that the Office of the National Assembly was required to provide office space, including equipment and supplies, for the factions and MPs in the Parliament Building or the National Assembly office block. The allocation and use of the rooms in the Parliament Building and the office block was decided by the factions when a new Parliament was formed.

Office of the Hungarian National Assembly

4.56 Mr István Papp, Deputy Secretary General of the Hungarian National Assembly, introduced the work of the Office of the Hungarian National Assembly to the delegation.



Presentation of souvenir to Mr István Papp, Deputy Secretary General of the Hungarian National Assembly

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4.57 Mr Papp said that the Office of the National Assembly had 618 employees and many of them had degrees in law, economics or public administration management. There were also civil servants in the Office. The civil servants were required by the Civil Servants Act to carry out their work in a manner befitting their office, with impartiality and under no one's influence.

4.58 The work of the Office was under the direction of the Speaker of the National Assembly either through the heads of the individual administrative units or directly. The Speaker appointed the heads of the offices, including the Secretary General, the Director General for Business Affairs, the heads of the Office for Foreign Relations, the Speaker's Cabinet and the Press Office, as well as the Director General of the Library of the National Assembly and all their deputies. The most important tasks of the Office were set down by the Standing Orders, while its other tasks and organizational structure were laid down in more detail in the Rules of Organization and Operation.

4.59 The Office provided a wide range of professional services to the National Assembly and its committees. For example, lawyers with experience in codification assisted in the legislative work of the National Assembly as well as in the committee activities relating to the EU legislation. There were also specialists who dealt with foreign affairs, parliamentary media activities and civil society organizations. For instance, the National Assembly had established the Civil Office to develop co-operation between the National Assembly and the NGO sector. The Civil Office provided information about the National Assembly, organized conferences, managed its own website, published information papers, secured access to the Parliamentary Information System, initiated researches and collected comments on bills.

Hungarian Parliament Building

4.60 Staff of the National Assembly conducted a tour of the Hungarian Parliament Building for the delegation. The delegation was informed that the Hungarian Parliament Building was currently the largest building in Hungary and the second largest Parliament Building in Europe. The main style of the building was neo-Gothic with Renaissance influences, but the base ground plan was Baroque. The design of the building was chosen through a competition. Construction of the building began in 1885 and was completed in 1904. Hungary had a bicameral parliament before World War II. The structure of the building was symmetrical, which conformed to the functions of a bicameral parliament, with the northern and southern wings of the building each serving

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one house of the legislature. They were connected by an enormous dome hall, which was once the site of unified sessions.

4.61 The delegation was also informed that after the abolition of the Upper House after World War II, parliamentary sessions were only held in the Lower Assembly Hall in the southern wing of the building. The offices of the Prime Minister and those of the President of the Republic were also housed in the building. The former session room of the Upper House was now used for holding international conferences.



Visit to the Hungarian Parliament Building

Observations of the delegation

4.62 The delegation is impressed that Hungary's transformation from a communist regime to a parliamentary democracy was peaceful, as the transfer of power was achieved through negotiations between the then ruling Communist Party with the opposition forces during the "Round Table Talks".

4.63 The delegation observes that Hungary attaches importance to the rule of law and protection of the rights of its people. The fundamental civil and political rights of Hungarian citizens are guaranteed by the country's independent Judiciary, the Constitutional Court and four ombudsmen. These institutions provide checks and balance in Hungary's political system and are foundations of Hungary's democratic development.

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4.64 The independence of the Hungarian Judiciary is safeguarded by placing the administration of the courts under the prerogative of the National Judicial Council. The majority of the Council's members are judges elected by and among the judges. The Council's important powers include proposing the budget for the courts, appointing and dismissing the presidents and vice-presidents of the regional courts of appeal and the county courts, and making recommendations to the President of the Republic on the nomination or relief of judges.

4.65 The Constitutional Court plays a vital role in ensuring the constitutionality of laws and protecting the Hungarian people's constitutional rights. Its members are all judges elected by the National Assembly.

4.66 The four ombudsmen, which are elected by the National Assembly and function independently of the Judiciary, provide a complementary mechanism to protect privacy rights, ethnic and national minority rights, and the right to life and a healthy environment, through their reporting to the National Assembly.

4.67 The delegation considers that Hungary's EU membership is conducive to its democratic development. Being an EU Member State, Hungary supports the values of the EU, including respect for human dignity, freedom, democracy, equality, rule of law, human and minority rights, freedom of enterprise, as well as the protection of cultural, religious and ethnic diversity.

4.68 The delegation notes that the national and ethnic minorities living in Hungary are guaranteed the right to participate in public affairs, develop their cultures, use their native languages, and receive education in their native languages. These rights are specified in the Hungarian Constitution and specific laws. Moreover, an ombudsman for nationalities and minorities has been established to monitor the implementation of minority rights and investigate complaints of violations. While the minorities do not have guaranteed representation in the National Assembly, they have the right to form their own local and national self-governments to safeguard their cultural autonomy. The delegation also finds that Hungary is very concerned about protecting the interests of ethnic Hungarians living in other countries.

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4.69 The delegation is impressed by the effective measures introduced by the Hungarian Government to assist the development of the NGO sector. In particular, the measure that gives individual taxpayers the option of designating 1% of their personal income tax to an eligible NGO has significantly increased the resources of NGOs. Besides, funding support to NGOs is provided by NCF, which is a budget-financed programme to match the total funds contributed by taxpayers every year through the 1% donations.

4.70 During the exchanges with members of various committees of the National Assembly and State Secretaries, the delegation was highly impressed by their frankness in sharing their views on the problems that Hungary encountered in the process of political transformation.

4.71 The delegation is given to understand that Hungary has experienced a difficult transition from a planned economy to a market economy and the living standards of most Hungarian people have declined after the political change. Since 2006, the Hungarian Government's strict fiscal measures to deal with the increasing budget deficit have resulted in anti-government demonstrations and riots as well as political turmoil. Prime Minister Ferenc Gyurcsány and Speaker Katalin Szili accepted responsibility for the policy failure and the loss of public support, and stepped down in March and September 2009 respectively. In the face of widespread social discontent, political parties on the extreme right gained more support in the recent European Parliament election and their influence is expected to further increase in the next parliamentary elections to be held in 2010.

4.72 The delegation notes that some political parties in Hungary have taken measures to encourage the participation of young people and women in politics. For example, the Hungarian Socialist Party had in past elections specified a certain percentage of the candidates in its party list for women and for persons under the age of 30.

4.73 The delegation finds that in Hungary, laws that aim to effect changes to the electoral system, public administration, local government, etc require a two-thirds majority vote of the National Assembly. The delegation considers that this rule ensures that the key institutions of the country will only be changed when there is broad-based parliamentary support and consensus, and it strengthens the position of the opposition, but the down side is that the rule has made it difficult for the Hungarian Government to carry out reforms to cope with changes in the country.

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4.74 The delegation is impressed that under the Hungarian system of remunerating and reimbursing MPs, the needs of both party factions and individual MPs are taken care of, and the interests of independent MPs and opposition factions are protected. The remuneration of MPs consists of a basic salary and additional payment for each additional office held. MPs' basic salary is pegged to that of a civil servant. Starting from early 2010, the average remuneration of an MP will be raised to a level higher than that of a Head of Department but lower than that of a Secretary of State. An MP receives additional payment for being a member, chairman, deputy chairman of a committee, a faction leader or deputy faction leaders, etc. Each MP also receives cost reimbursements for employing a staff, travel expenses and accommodation.

4.75 As for party factions, they are provided with an operating budget and financial resources to pay for administrative support and services of experts. As a rule, independent MPs and opposition factions receive more resources than governing party factions.

CHAPTER 5: CONCLUSIONS

5.1 The delegation considers the visit very successful in enabling members to obtain first-hand information on the constitutional and political development in Czech, Croatia and Hungary as well as their electoral systems. The delegation has gained an in-depth understanding of the operation of the legislatures of the three countries, their political parties, committees, parliamentary services, the challenges faced by their MPs as well as the impact of the EU accession. The visit has also strengthened the links of the Legislative Council with the three legislatures.

5.2 The delegation's overall conclusions drawn from visiting the three countries are set out below.

Constitutional and political development

Process of democratization

5.3 Regarding the process of democratization of the three countries, the delegation finds that their transformation from a communist to a democratic regime was peaceful and not marked by any violence or bloodshed, and has been accomplished within a short time. This was attributable to the fact that the transfer of power was achieved through negotiations and agreement between the then ruling parties and opposition forces.

5.4 With the exception of Hungary, the economic performance of the countries has not been adversely affected by the political transformation. For instance, the Czech economy has been characterized by sustained growth, low inflation, low unemployment rate and continued inflow of foreign investment in the post-communist era. Croatia has also experienced a steady and moderate economic growth in recent years, with a steady decline in the unemployment rate. On the other hand, the delegation notes that Hungary has experienced a difficult transition from a planned economy to market economy and the living standards of most Hungarian people have declined after the political change.

5.5 The delegation finds that although Czech, Croatia and Hungary were only transformed into democratic countries some 20 years ago, universal suffrage has already been implemented for the elections of their Parliaments, and political parties have alternated in power peacefully. The Government and ruling parties are accountable to the people and have to be responsible for policy failures. In Czech, Prime Minister Mirek Topolánek and his

CHAPTER 5: CONCLUSIONS

Government stepped down after a vote of no confidence by the Parliament. In Croatia, Prime Minister Ivo Sanader resigned over the country's accession negotiations with the EU. In Hungary, Prime Minister Ferenc Gyurcsány and Speaker Katalin Szili of the National Assembly resigned due to widespread social discontent and loss of public support. The delegation is impressed that the MPs and political parties in the three countries have chosen to resolve the conflicts in their countries by peaceful means, such as seeking the Constitutional Court's ruling and through elections. Before political transformation, the changes in political leadership in the countries might lead to violence and revolution.

Rule of law

5.6 The delegation finds that the three countries attach importance to the rule of law.

5.7 In Czech, disagreement between the Parliament and the Constitutional Court over the constitutionality of a law passed by the Parliament to shorten the term of office of the Chamber of Deputies highlights the role of the Constitutional Court as the guarantor of the constitutional order of Czech. In Hungary, the rule of law and the checks and balance in its political system are safeguarded by the country's independent Judiciary, Constitutional Court and parliamentary ombudsmen. As for Croatia, the delegation notes that while the Croatian people are not satisfied with the country's judicial system, the Croatian Government has made use of the EU accession process to launch a number of programmes to reform the system.

Civil society

5.8 The NGO sector of the three countries has been growing steadily in recent years, although at varying paces. Their growth has been made possible by government support through the provision of funding and establishment of a comprehensive legal framework, which creates a sustainable environment for NGOs. NGOs' contributions are well recognized by the public, the government and the legislature of the three countries. The proliferation of NGOs and the positive response to their work are conducive to the development of the civil society in the countries.

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Rights of the minorities

5.9 The delegation finds that Croatia and Hungary attach importance to protecting the rights of their national minorities, including the right to use and receive education in their native languages. Such rights are stipulated in the Constitution and specific laws of the two countries. It is noteworthy that under the Croatian Constitution, the national minorities in the country have guaranteed representation in the Parliament and in the representative bodies at the local levels. The minorities in Hungary are granted the right to form their own local and national self-governments to safeguard their cultural autonomy.

Accession to the EU

5.10 The experience of Czech, Croatia and Hungary indicates that accession to the EU not only brings about economic benefits to the countries, but also has a significant and positive impact on their democratization. Being Member States of the EU, Czech and Hungary support the EU's policies and values, including respect for human dignity, freedom, democracy, equality, rule of law, human and minority rights, freedom of enterprise, as well as the protection of cultural, religious and ethnic diversity. Although Croatia has not yet joined the EU, it has carried out a series of reforms in order to meet the requirements for gaining accession to the EU. The EU accession process has thus provided great impetus and a good opportunity for Croatia to rapidly reform its backward institutions and systems, such as the judicial system, which are essential to the long-term development of the country.

5.11 The delegation is impressed that the various parties which the delegation has met during the visit find the democratization process in their countries successful and the people are generally satisfied with the democratic development of their countries.

Electoral system and political parties

5.12 Regarding the electoral system, the delegation notes that all the three countries adopt a system based on the principle of party-list proportional representation, under which voters select party lists put forward by the political parties instead of individual candidates. Such a system increases the political parties' chance of winning parliament seats and ensures the representation of different interests in the Parliament, thereby preventing the resurgence of totalitarian rule. However, such a system makes it difficult to return one

CHAPTER 5: CONCLUSIONS

single party that can command a majority in the Parliament and form a government with a strong mandate. As a result, the country may be ruled by a shaky coalition government or a minority government dependent upon the goodwill of the opposition. This has a negative impact on political stability and poses difficulties for the government in ruling the country and for political parties in implementing their election platforms.

5.13 Besides, the electoral system of the three countries gives political parties influential power as they can decide the candidates to be included in the party lists and ultimately who will be MPs. The advantage is that political parties are able to adopt measures to encourage women and young people to participate in politics. A notable example is the Hungarian Socialist Party which has specified a certain percentage of its party lists for women and for persons under the age of 30. In Croatia, women's participation in politics is encouraged by providing financial incentives to political parties. Without the support of the political parties, there may be fewer young people and women in the political scene of these countries. On the other hand, the system belittles the efforts of the individuals as the chance of independents being elected is slim and people who want to pursue a political career will have to join political parties.

5.14 The delegation notes that there are voices in the three countries demanding reviews and changes to the electoral system. As to what system should be adopted and how the system can be improved, it is a matter to be considered by the countries in consultation with their people.

Parliamentary services

5.15 As for the parliamentary services in the three countries, the delegation notes that the responsible units of the Parliaments provide a wide range of professional services to support the work of MPs, party factions and parliamentary bodies. In this regard, the delegation is impressed that under the Hungarian system of remunerating and reimbursing MPs, the needs of both party factions and individual MPs are taken care of. There is also a rule that independent MPs and opposition factions receive more financial resources than governing party factions, thereby protecting the interests of independent MPs and opposition factions. The delegation also finds that the three Parliaments emphasize openness and building relations with the public through proactively providing information to the public and organizing visits to the Parliaments, etc.

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5.16 In addition, the delegation observes that in all the three countries, there are places in the Parliament Buildings for displaying historical items relating to the Parliaments. The delegation considers this a useful reference and suggests that the Legislative Council should designate an area in the new Legislative Council Building for displaying the historical items relating to the Legislative Council.

Overall remarks

5.17 On the whole, the delegation considers the visit very enlightening and fruitful. While the experience of the three countries may not be directly relevant or readily transferable to Hong Kong because of the different political background and situation, their experience in the democratization process is valuable and can serve as useful reference for Hong Kong as it embarks on its own democratization process.

5.18 The delegation is delighted that the visit has strengthened the links between Legislative Council and the legislatures of the three countries. The delegation has been warmly received throughout the visit. Through the meetings and exchanges of views with the Speaker and Deputy Speaker as well as MPs, better mutual understanding has been fostered and friendship enhanced. The delegation is particularly impressed by the various parties' frankness in sharing their views on the problems faced by them and their countries. MPs of the three legislatures are also interested in having further exchanges and enhancing ties with the Legislative Council.

Council Business Division 3
Legislative Council Secretariat
4 January 2010

**Delegation of the Legislative Council
to Prague, Zagreb, Rijeka and Budapest**

Visit Programme in Prague, the Czech Republic

13 September 2009 (Sunday)		
11:20 pm	✧	Depart Hong Kong for Prague
14 September 2009 (Monday)		
8:15 am	✧	Arrive at Prague
1:00 pm to 2:15 pm	✧	Meeting with Ing. Miloslav Vlček, President of Chamber of Deputies, Parliament of the Czech Republic
2:15 pm to 3:00 pm	✧	Briefing by Ms Jindřiš Sylllová, Director of the Parliamentary Institute, Parliament of the Czech Republic
3:00 pm to 4:00 pm	✧	Guided tour of the Building of the Chamber of Deputies
15 September 2009 (Tuesday)		
11:30 am to 1:30 pm	✧	Lunch hosted by Mr Marek Benda, Chairman of the Committee on Constitutional and Legal Affairs and members of the Foreign Affairs Committee of Chamber of Deputies, Parliament of the Czech Republic
2:00 pm to 3:00 pm	✧	Meeting with Bishop Václav Malý, Archdiocese of Prague
3:00 pm to 4:00 pm	✧	Meeting with Ms Helena Bambasová, Deputy Minister of Foreign Affairs, Ministry of Foreign Affairs
4:30 pm to 6:00 pm	✧	Meeting with Dr Michal Kopeček, Chief of the Department for Post 1989 Development, Institute for Contemporary History of the Academy of Sciences of the Czech Republic
16 September 2009 (Wednesday)		
12:05 pm	✧	Depart Prague for Zagreb

Visit Programme in Zagreb and Rijeka, the Republic of Croatia

16 September 2009 (Wednesday)		
1:35 pm	✧	Arrive at Zagreb
4:00 pm to 4:45 pm	✧	Meeting with Mr sc. Davor Vidiš, Head of Department for Neighbouring Countries and South-east Europe of the Ministry of Foreign Affairs and European Integration
5:00 pm to 6:00 pm	✧	Meeting with Ms Sandra Pernar, Executive Director of GONG (a non-governmental organization), and associates
6:15 pm to 7:00 pm	✧	Meeting with Mr Andrija Karafilipović, Head of Croatian Friendship Society with China (a non-governmental organization)
17 September 2009 (Thursday)		
9:30 am to 10:45 am	✧	Meeting with Dr sc. Milorad Pupovac, Chairman of Committee on Interparliamentary Co-operation, and members of the Committee
10:45 am to 11:45 am	✧	Meeting with Mr sc. Neven Mimica, Deputy Speaker of the Croatian Parliament and Chairman of Committee on European Integration of the Croatian Parliament, and members of the Committee
12:00 noon to 12:30 pm	✧	Tour of the Croatian Parliament Building
12:30 pm to 1:30 pm	✧	Meeting with Mr Josip Leko, Deputy Chairman of the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament, and members of the Committee
1:30 pm to 2:30 pm	✧	Meeting with Dr sc. Goran Marić, Chairman of Committee on Finance and Central Budget of the Croatian Parliament, and members of the Committee

2:30 pm to 4:00 pm	✧ Working lunch hosted by Mr Josip Leko, Deputy Chairman of Committee on the Constitution, Standing Orders and Political System, and Dr sc. Nevio Šetić, member of Committee on European Integration of the Croatian Parliament
4:00 pm to 4:45 pm	✧ Meeting with Mr Josip Sesar, Secretary General of the Croatian Parliament and Heads of Departments
4:45 pm to 5:30 pm	✧ Tour of Croatian Parliament (offices of caucuses, library and other facilities)
5:30 pm to 7:00 pm	✧ Meeting with officials of various political parties / Heads of caucuses of Parliament: <ul style="list-style-type: none"> ◆ Ms Ivanka Roksandić, Croatian Democratic Union (HDZ) ◆ Mr Nenad Stazić, Social Democratic Party (SDP) ◆ Mr Boro Grubišić, Croatian Democratic Alliance of Slavonia and Baranja (HDSSB)
18 September 2009 (Friday)	
7:45 am	✧ Depart for Rijeka
10:30 am to 11:30 am	✧ Meeting with Ms Dorotea Pešić-Bukovac, President of the City Council of City of Rijeka, and Mr Miroslav Matešić, Deputy Mayor of City of Rijeka
11:45 am to 12:30 pm	✧ Meeting with Mr Ingo Kamenar and Mr Željko Plazonić, Deputy Presidents of County Assembly of Primorsko-Goranska County, and collaborates
12:45 pm to 2:00 pm	✧ Meeting with Mr Zeljko Glavan, Deputy Executive Director of Port of Rijeka Authority, associates and representatives of the management
3:45 pm to 4:45 pm	✧ Meeting with Dr sc. Pero Lučin, Rector of University of Rijeka and associates

5:00 pm to 6:00 pm	✧ Meeting with Mr Maurizio Tremul, Chairman of the Executive Committee of Unione Italiana, and associates
19 September 2009 (Saturday)	
10:40 am	✧ Depart Zagreb for Budapest

Note

During the visit in Zagreb and Rijeka, the delegation was accompanied by:

- ✧ Prof Dr Ante Simonić, Ambassador of the Republic of Croatia to the People's Republic of China; and
- ✧ Ms Jasna Vitas-Žubi, Secretary to the Committee on Interparliamentary Co-operation and Secretary of the Interparliamentary Friendship Group with China, Croatian Parliament.

Visit Programme in Budapest, the Republic of Hungary

19 September 2009 (Saturday)		
11:40 am	✧	Arrive at Budapest
	✧	No official programme
20 September 2009 (Sunday)		
	✧	No official programme
21 September 2009 (Monday)		
11:00 am to 1:00 pm	✧	Meeting with Mr Dezső Avarkeszi, State Secretary of the Ministry of Justice and Law Enforcement, and senior staff
2:30 pm to 3:30 pm	✧	Meeting with Mr László Várkonyi, State Secretary of the Ministry of Foreign Affairs, and senior staff
7:00 pm to 8:30 pm	✧	Dinner hosted by Mr László Varju, Chairman of the National Assembly's Hungary-China Inter-parliamentary Union Friendship Group and State Secretary of the Ministry of National Development and Economy, and members of the Friendship Group
22 September 2009 (Tuesday)		
9:30 am to 10:00 am	✧	Courtesy call on Mr László Mandur, Vice Speaker of the Hungarian National Assembly
10:00 am to 11:00 am	✧	Meeting with Mr Emil Bakos, General Director for Economics of the Hungarian National Assembly
11:00 am to 12:00 noon	✧	Meeting Mr István Papp, Deputy Secretary General of the Hungarian National Assembly
12:00 noon to 2:00 pm	✧	Lunch hosted by Mr Zoltán Balog, Chairman of the Committee on Human Rights, Minorities, Civil and Religious Affairs of the Hungarian National Assembly
2:00 pm to 2:15 pm	✧	Tour of Parliament Building

2:15 pm to 3:00 pm	✧ Meeting with Mr György Kerényi, Chief Adviser to the Speaker on questions of minorities
3:00 pm to 3:45 pm	✧ Meeting with Ms Judit Csiha, Chairwoman of the Constitutional, Judicial and Standing Orders Committee of the Hungarian National Assembly, and members of the Committee
7:05 pm	✧ Depart Budapest for Hong Kong

List of publications and materials obtained during the visit

The Czech Republic

	Published/Provided by	Title
1.	Parliament of the Czech Republic	<i>The Chamber of Deputies, Parliament of the Czech Republic (2009)</i>
2.	Parliament of the Czech Republic	<i>DVD on The Chamber of Deputies, Parliament of the Czech Republic (2008)</i>
3.	Parliament of the Czech Republic	<i>The Parliament of the Czech Republic – The Chamber of Deputies (2008)</i>
4.	Parliament of the Czech Republic	<i>The Czech Parliamentary Library: A Tribute on its 150th Anniversary – The Central European Parliamentary Libraries from the Past to the Present (2009)</i>
5	Parliament of the Czech Republic	<i>Leaflet on Parliamentary Control of the Government in the Czech Republic (2006)</i>
6.	Parliament of the Czech Republic	<i>Leaflet on The Legislative Process in Parliament (2006)</i>
7.	Parliament of the Czech Republic	<i>Leaflet on The Mandate and Immunity of Deputies (2006)</i>
8.	Parliament of the Czech Republic	<i>Leaflet on A History of Czech Parliamentarism (2006)</i>
9.	Parliament of the Czech Republic	<i>Leaflet on Parliamentary Elections (2006)</i>

The Republic of Croatia

	Published/Provided by	Title
10.	Croatian Friendship Society with China	<i>克羅地亞 – 中國 (2007)</i> <i>Hrvatska-Kina</i>

	Published/Provided by	Title
11.	Head Office of GONG	<i>A disc of Introduction of GONG (Croatian version)</i>
12.	Head Office of GONG	<i>Leaflet on "I Vote for the First Time" (2009)</i>
13.	Head Office of GONG	<i>GONG Annual Report 2008</i>
14.	Head Office of GONG	<i>Code of Good Practice, Standards and Benchmarks for the Allocation of Grants for Programmes and Projects of NGOs (Adopted by the Croatian Parliament at its session on 2 February 2007, pursuant to Article 23, paragraph 2 of the Associations Act)</i>
15.	Port of Rijeka Authority	<i>CD on Port of Rijeka Authority - Presentation</i>
16.	Port of Rijeka Authority	<i>Port of Rijeka Authority 2009 Yearbook (with CD)</i>
17.	Port of Rijeka Authority	<i>Port of Rijeka j.s.c. INFO</i>
18.	Unione Italiana	<i>Powerpoint presentation on the Italian National Community in Croatia and Slovenia</i>
19.	Unione Italiana	<i>Paper on The Italian Union as a Free Expression of the National Italian Community in Croatia and Slovenia</i>
20.	University of Rijeka	<i>Booklet on University of Rijeka (2009)</i>

The Republic of Hungary

	Published/Provided by	Title
21.	Hungarian Parliament	<i>Booklet on Visiting the Hungarian Parliament</i>
22.	Hungarian Parliament	<i>The Hungarian Parliament</i>