

Hungary: the political right reduces the Constitutional Court's competences

On 16 November, the Hungarian parliament seriously restricted the competences of the Constitutional Court. The new regulations, which have been pushed through by Fidesz and its allies, the Christian Democrats, have almost completely deprived the Constitutional Court of the power to invalidate budget-related laws. The adoption of the new regulations is another move, following the staff reshuffle in the state bureaucracy (including in the Constitutional Court itself), aimed at ensuring a monopoly of authority to the political right.

Pursuant to the recent amendments, the Constitutional Court has been deprived of some of its prerogatives. The changes adopted by the votes of the governing coalition, which has a constitutional majority in parliament, concern the court's competences to decide on budget-related issues. The Constitutional Court still has the competence to determine the constitutionality of laws related to the budget (regarding taxes, allowances, customs duty, etc.), but the amendment has deprived it of the right to invalidate them unless they violate basic human rights. 261 of the 386 MPs voted in favour of the amendment.

The initiative for restricting the court's competences is linked to the Hungarian government's budget plans, which envisage the imposition of special taxes on profitable branches of the economy, such as the energy sector, telecommunication and the financial sector, and withholding payments from open pension funds. These actions have met with numerous reservations from the opposition, foreign investors and business circles. The government is trying to prevent any attempts to invalidate its moves, such as the Constitutional Court's challenge this October of the 98% tax on severance payouts in the budget sector imposed on severance payouts granted since 2005. When the competences of the Constitutional Court were restricted, parliament immediately reinstated the tax by a sweeping majority of the votes. <boc>