A guide to the perils facing Europe's leaders at this weekend's European Union summit on a new constitution

TWO years of debate, drafting, amendment and arm-wrestling over a proposed constitution for the European Union will come to a climax in Brussels at this weekend's summit of EU leaders. Agreement on a final text is far from certain; the meeting could last into the small hours of Monday December 15th. In the run-up to the summit, several countries were making increasingly uncompromising noises about the issues still in dispute.

These issues fall into two broad categories: institutions and policies. The institutional ones concern the carve-up of power between and within the different bits of the EU system—the member states, the European Commission, the European Parliament and the Council of Ministers. They are likely to prove the hardest to settle, just as they were at the treaty-making summit in Nice three years ago. The policy questions are about the extent of the EU's powers in specific areas such as tax, social security, foreign policy and defence. Several countries have concerns that they insist must be respected if they are to
accept the new constitution. These are the main outstanding issues:

**Voting weights.** The most fraught argument will be over voting weights of EU countries in the Council of Ministers. In Nice, the EU agreed on a complex, three-tier system that gave extra votes to smaller countries. Four big countries—Germany, France, Britain and Italy—got 29 votes each. Spain and Poland have 27 votes each, although their populations of roughly 40m apiece are about half Germany's. Even though Nice has not yet come into force, the new draft proposes to switch to a simpler "double majority", under which an EU law would pass if it was supported by a majority of the 25 EU countries, representing at least 60% of the population.

This proposal increases the power of big countries. Germany, for example, has 9.2% of the EU's voting power under Nice and 18.2% under the new plan. The smallest countries retain extra influence through the simple-majority-of-countries formula. But medium-sized countries, meaning Spain and Poland, are clear losers. Not surprisingly, they say that they cannot accept the change. The Spanish government says that "with the double majority system, the EU would end up being governed by the four most populous states."

If Spain and Poland will not compromise, might Germany? Politicians in Berlin insist that double majority is non-negotiable. Gerhard Schröder, the German chancellor, said this week that "this is a point on which we are not prepared to move." Tough talk before and during a summit is standard EU procedure (see article). But some insiders worry that national positions are now so set in stone that EU leaders may find it impossible to compromise. If the summit fails, which is quite likely, it will be over voting weights.

**Other institutional issues.** It is easier to see the outlines of a deal here. The draft's suggestion that the European Commission should be cut to 15 voting members will be rejected, at the insistence of small countries, and each country will keep a commissioner. Proposals to increase the European Parliament's power over the EU budget may be watered down, though the parliament is screaming. The plan for a European Council president to serve for two and a half years, in place of today's six months, has been broadly accepted. So is the new EU foreign minister, based in both the Council of Ministers and the European Commission, though his role may be further clarified to shift more of his role and powers to the council.

**Britain's red lines.** In the 1980s and 1990s summits often ended with Britain fighting alone against an integrationist move favoured by the rest. The British are pleased that this time they are bystanders in the bloodiest battle, over voting weights. But when the summit turns from institutions to policies, it will be evident that Britain has more reservations (known as red lines) than any other country. The British remain unhappy with aspects of the Charter of Fundamental Rights. They will fight particularly hard against moves to dilute national vetoes in such sensitive areas as tax, foreign policy, social security and the finances of the EU.

Going into the summit, the British insisted that they were making progress in eradicating any hint of majority voting in these red-line areas. That they are fighting on so many fronts is a source of some concern to British diplomats, who reckon they might do better to concentrate on one or two key points. On the other hand, the British have allies on every issue. The Irish, who have low corporate taxes, are even more insistent than the British on retaining a veto over tax. Most net contributors to the EU budget are keen to retain their veto rights. There is broad resistance to efforts to make it easier to amend the constitution and to reduce the scope for national vetoes in future. On foreign policy, the British may try to win support by trading their backing for a solution on voting weights.

**Defence.** One issue on which the British claim to have achieved satisfaction is defence. They say they have watered down efforts aimed at letting a small group of EU countries forge their own defence union. The inclusion of a mutual-defence clause, binding all EU countries to come to each other's aid if attacked, had alarmed neutral countries such as Austria, Ireland, Finland and Sweden. But just before the summit
convened, a qualifier was added to the clause saying that it would not run counter to the traditional constitutional arrangements of member-states. The neutrals say that they are happy, though the clause now seems messy and contradictory.

**Justice and home affairs.** This is the area that will see the biggest changes after the constitution, including more majority voting on asylum and immigration. But the biggest argument is over criminal law. Britain, Ireland, Sweden and Denmark fret that a proposed EU public prosecutor might be a pointer towards further criminal-law harmonisation, especially if the text allows changes to criminal-law procedures to be made by majority vote.

**The stability pact.** The Irish are not the only country brandishing the threat of a referendum over their negotiating partners. The Dutch are planning to depart from tradition by holding a plebiscite on the new constitution. For them, the trickiest issue is the fact that France and Germany have blatantly violated the stability and growth pact, the fiscal rules governing the EU's common currency. This is an issue this weekend because the pact is incorporated virtually unaltered into the new constitution. The Dutch may demand some changes to make it harder to violate the pact in future. They are likely to be told to get lost, but this might encourage their voters to take revenge in a referendum.

The prospect of votes on the constitutional treaty in many EU countries should concentrate leaders' minds. But it will also be a nagging reminder that, even if they reach agreement in Brussels, it could ultimately be in vain. Any new text must be ratified by all 25 EU countries. That looks like a daunting hurdle.

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