

## Summary Convention Session 30<sup>th</sup> and 31<sup>st</sup> May

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Following I would like to sum up the Convention session on 30<sup>th</sup> and 31<sup>st</sup> May 2003. For three reasons the meeting was not really fruitful: a) Due to the public holiday on Thursday, the Convention members had to work on Friday until late and on Saturday. These unusual working hours did not improve the participation and motivation of Convention members. Further, instead of finishing at 6 pm as scheduled previously, the meeting stopped at 1 pm, not leaving a lot of room for debate. b) The articles to be discussed on Saturday – the 339 articles of Part 3 – have only been put forward to the Convention members on Tuesday and there was not enough time for them to study them in detail. c) The presidium did not structure Saturday's session, which resulted in a quite messy debate. Having 80 speakers on 330 articles will hardly result into any consensus on any of the articles.

Again the controversial issues were not tackled, although there is only three sessions to go. VGE decided that Convention members should debate the issues of enhanced cooperation, economic governance, own resources and budgetary procedure, before they were allowed to comment on the third part of the Constitution.

### **1. Revised articles of Part 1**

At the beginning of Friday's session, VGE presented the new revised articles for Part 1 of the Constitution, as put forward by the Convention. First of all, he defended removing the word federal from the first article of the Constitution. Concerning VGE, the word has no special meaning in romanian languages, but does have a negative connotation in other languages (e.g. in English).

Further VGE explained that the Presidium added to the previous text an explicit reference to the four freedoms and that they added in the competences chapter the right of the Union to coordinate employment and social policies.

VGE also emphasized, that Title 6 on "Democratic Life of the Union" was fleshed out with several new paragraphs and articles, such as an article on participatory democracy. He also defended leaving the withdrawal clause included in the text, while stressing that this withdrawal has to be voluntarily.

Extending the 35 cases of qualified majority voting (QMV) to 70 cases was seen by Giscard as one of the main achievements of the presidium. Nevertheless there were many Convention members, expressing the urgent need to have a lot more cases of QMV.

Concerning the institutional articles, VGE explained that there was no consensus achieved and that the articles will be redrafted by the presidium over the weekend.

From the normal Convention members, Giscard had to face less critics about the redrafted text than expected. Several Convention members criticized excluding the word federal from the Constitution.

Concerning CSFP some Convention members criticized individual member states governments. Due to Brok, there was a consensus found in the working group on CSFP since many concessions were done to the British government. Despite these concessions the British

government is suddenly not willing to stick to this working group consensus anymore by, not allowing for QMV in CSFP.

VGE answered that it is not the working groups, but the Convention deciding in the end and that the working groups were not representatives from the beginning. He also emphasized that the final document of the Convention has to be acceptable for 25 peoples.

## **2. Enhanced Cooperation**

VGE presented in the second part of Friday's debate the new article on enhanced cooperation. Although enhanced cooperation was only used once so far, he emphasized the importance of the enhanced cooperation as a last solution for some problems in the Union. He stressed that the presidium tried to include the EP and the Commission as much as possible into this method. Further there is the possibility for member states to leave the enhanced cooperation as well as the possibility for member states to join the enhanced cooperation, if they have not been part of it from the beginning.

Hain saw a danger in enhanced cooperation, as member states could speak in the name of the Union without every member state agreeing to it. He also asked for not having enhanced cooperation in CSFP if the Union takes action in any form.

Majority of the Convention members stressed that enhanced cooperation should not be used as a normal method of the Union, but only as a last resort. Many Convention members also stressed that the more qualified majority voting there will be in the Union, the less enhanced cooperation will be necessary. On the other hand this would mean that in cases where there is unanimity decision making foreseen, enhanced cooperation has to be allowed for those who wish to go ahead on their own. It was also stressed that enhanced cooperation ensures that concerned member states act within the Union, instead of outside the Union structures.

## **3. Economic governance, own resources and budgetary procedure**

Concerning economic governance, the most controversial issue was the role and structure of the eurogroup. Giscard presented a new article explicitly stating that a Eurogroup exists within the Union. Part of this article is also a Eurogroup-President. Both issues were criticized by several Convention members, especially with the argument that after enlargement there will be more members which are not part of the Eurogroup, than members who are part of it. An alternative proposal supported by several Convention members and also put forward by Barnier was that there should be a Commission Vice-President who is also chair of the economic council and the Eurogroup.

Concerning the Euro, many Convention members also emphasized that it would be useful to have a common representation at the Bretton-Woods institutions (such as the World Bank and the International Monetary Fund).

Abolishing of the separation of compulsory and non-compulsory expenses of the Union (and therefore allowing the EP to have a say on all expenses of the Union) has been welcomed as a necessary step forward. Nevertheless there were many Convention members who stressed that the new budgetary procedure is even more complicated as the previous one, since elements of

the budgetary procedure is spread over different parts and titles of the Constitution. There was also the demand to apply the simple majority procedure for the entire budget while including a tiebreak mechanism if the Council and the EP cannot agree.

Further there was criticism that there will be unanimity decisions about the ceiling of the Union's expenses, instead of allowing QMV. Many Convention members also demanded, that the European Parliament should have a say on the broad economic guidelines, instead of the Council and the Commission deciding on it exclusively.

Another highly criticized issue was that although the presidium included the goal of full employment and the principle of social market economy in the first part, in the third part the formulation "higher employment" and "free market economy" was kept.

As previously, there was again a discussion on whether the European Central Bank should stay limited to the goal of economic growth or whether its tasks should be extended. Many Convention members also emphasized that only if the Union arrives to a common economic policy, it could come back to growth of its economy. A majority of the Convention members stressed that the European Parliament had to play a vital role in this economic policy.

Another controversial debate focused on the question of a European tax and tax harmonisation. On this debate there was a clear alliance of British and Irish Convention members who argued against the majority of the other Convention members, that European taxes could not be explained to Union citizens and that tax harmonisation is not necessary. From the other side there was the argument that today's system of contributions to the Union's budget is not transparent for the citizens and that harmonising the taxes is a necessary precondition for the Union's economic policy.

## **4. Part 3 of the Constitution – Union policies**

VGE explained that the presidium had no mandate to do any changes to the content of Part 3, the Union policies, a statement which was repeated by Amato in a later on press conference. This is a rather new approach, as many Convention members feel the necessity of changing some of the content of part 3 which would be necessary to prevent having contradictions between this and other parts of the Constitution and also since reforming Part 3 is part of the political mandate of the Convention. VGE also stressed that writing Part 3 was a rather technical exercise, done by experts.

There was a clear consensus between the Convention members that there should be a lot more QMV in the Constitution. Many had the impression that the exception from QMV (means unanimity voting) is more the rule than QMV itself. Majority of the Convention members agreed that unanimity should be limited to defence issues, constitutional issues and the question of joining and leaving the Union. Some Convention members even suggested to have qualified majority voting applied to every decision in the Union. They suggested that in order to be honest to the citizens, in all those fields, where member states would not agree to have QMV, competences should be shifted back to the national level.

On the other side there were many government representatives, especially Peter Hain in the name of the British government, who listed several issues in which they would not agree with QMV. Germany agreed to have QMV in immigration and asylum questions (which they blocked so far) while stressing that there should be unanimity in decision on access to the labour market.

A handful of Convention members also suggested the introduction of super qualified majority voting as a compromise between unanimity and QMV.

Most Convention members welcomed the new article on energy. Nevertheless many Convention members, especially from Austria, stressed that it is impossible to include the Euratom treaty unchanged in the Constitution. A ratification of the Constitution could be limited to the question “yes or no to nuclear power”. The Convention members agreed that there would be no possibility for the Convention to reform the treaty and therefore suggested to not include it in the Constitution but instead give a mandate to the IGC to reform the treaty or to make it expire in 2007.

A considerable amount of Convention members also demanded to have a legal basis for the service of general interest, which the current version of the Constitution does not offer.

Another discussion centred around the preambel of the Constitution. A minority asked for christianity to be explicitly mentioned in the Preamble. Others asked for the Part 2 of the Constitution (Fundamental Rights Charter) to include the preambel of the Charter itself, arguing that this preambel required a lot of work and resembles a good compromise. These Convention members also did not see any problem with having two preambels in the constitution. Further there were several members of the Convention, especially Vitorino, who asked for having the legal explanations of the Charter (which are crucial for judicial interpretation of the Charter) as annex to the Constitution.

Some Convention members also criticized that the Constitution is not written in a gender neutral way, such as the Fundamental Rights Charter and demanded to include this more modern language in the new draft of the articles.

## **5. Future debates and Convention method**

Explaining the proceedings of the next Convention session, VGE pointed out that on Wednesday there will be meetings between him and his Vice-Presidents and the different components of the Convention (national parliaments, European Parliament, national governments and the Commission). Doing this exercise, VGE wishes to get a concrete overview on what the different components think about the text, especially about the institutions, presented on Monday. Thursday’s and eventually Friday’s debate would focus again on institutions, eventually with a redrafted text, based on the debates of Wednesday.

Many Convention members criticized heavily the fact that the Convention method is shifting towards the end of the Convention towards a intergovernmental conference, thanks to Giscard purely respecting the will of the representatives of bigger member states, not of all Convention members. In this new “Convention” method, the European Parliament plays a considerably weaker role than it has done at the start of the Convention. Some Convention members explained this by the EP not having any “ratifying power” since they do not represent anyone who would have to ratify the result in a referendum or in a normal ratification procedure.