

EU summit

The draft constitution A beginner's guide

	 European leadership	 The EU commission	 Foreign and defence	 Immigration and asylum	 Charter of rights	 Law in the EU	 Taxation
What is being proposed?	Under the Giscard d'Estaing draft constitution, a new president would head policy-making council of ministers, serving for a maximum of two 2½ years terms, elected by EU leaders. EU parliament gets 34 more areas where it has power of "co-decision" to approve laws	Draft proposes that the European commission — the EU's civil service — should be reshaped, fixing the number of senior national appointees, such as Britain's Chris Patten and Neil Kinnock, running it	A new EU foreign minister, merging the current two EU frontmen on foreign policy. Draft treaty also calls for a common defence policy and an EU mutual defence guarantee, like the one at the heart of Nato	A genuine common European asylum policy for the first time. Moves to merge visa policy, building on the existing Schengen scheme (Britain is not a member), more collective decision-making and direct EU enforcement of immigration law	Existing charter of fundamental rights, already agreed by EU states, will be formally incorporated into new treaty	EU aims to create a European public prosecutor to tackle serious cross-border crime, particularly fraud, including crimes against the EU itself. EU would also acquire a new single legal personality, merging the original EEC of 1957 with the EU of 1992	Potential abolition of national veto in areas such as excise duties and corporation tax
What difference will it make?	President will replace EU's current system of running council of ministers using a rotating presidency, with different member states taking charge every six months. European parliament will gain added status	All EU member states currently appoint one or two commissioners to oversee an area of policy. Draft calls for just 15 commissioners from 2009, even though there will be 25 or more member states by then	Depends on the draft. If foreign policy were subject to qualified majority voting (QMV), the new minister could have a big impact. On defence it would bring new coordination, especially as Nato was weakened by wrangles over Iraq war	Common definitions of who should qualify for refugee status, common standards of accommodation and welfare benefits will be agreed. Summit will agree to develop pilot schemes put forward by UN high commission for refugees	Greatly enhanced status for the charter, which protects the rights of EU citizens on a wide range of fronts. Clauses relating to employment rights could have big impact, including provisions on consultation of workers, collective bargaining and unfair dismissal	Prosecutor would have powers to investigate crimes committed across EU borders, prosecuting them in national courts. Office of the prosecutor could operate in any country to bring criminals to justice for "serious crime affecting several member states"	National governments could not block moves to harmonise tax rates across EU unless they could muster a coalition of states
What is the case for change?	Will boost continuity and end confusion, giving strategic direction to EU policy on issues such as trade, economic reform, the environment and foreign policy	Desire to keep executive to a manageable size and rotate commissioners on an equal basis between all states. Draft proposes that future head of commission should be chosen by EU leaders then approved by parliament. That seems to offer no increase in democratic legitimacy	Henry Kissinger used to say that US diplomacy would be a lot easier if he only had to make one phone call to Europe. The aim is to boost the EU's international presence and achieve greater consensus on defence policy and other issues	Immigration issues, by their nature, affect states jointly. The current system is not working. Cooperation is the way forward	Charter has already been agreed by states (though Britain had held it was only a declaration of intent, not binding law, a situation which is no longer the case) so incorporating it in the new treaty makes sense	Now, only a state's own prosecutors can prosecute in the state's courts, although there is already extensive co-operation between states on cross-border crime, and arrangements to tackle cross-frontier abuse of EU finances	Positive: tax harmonisation would enhance the creation of a true single market, ending tax rate differences, and making Europe more competitive. Negative: The current regime encourages tax competition, pitting member states against each other to offer the most attractive tax rates
What are the sticking points?	The idea of president appeals to large member states, but smaller countries and the commission dislike the idea. Plans were watered down from original draft proposals to avoid creating more bureaucracy. Britain wants to clarify powers and ensure the incumbent is a CEO, not a figurehead. France is against giving the parliament powers of co-decision on agricultural spending <i>Ian Black</i>	The commission is deeply unhappy with the change, arguing that all member states need to keep a direct link with the body. Current president Romano Prodi fears a dilution of his successors' power. Britain and other big countries broadly happy with proposals; small states are likely to agree, albeit grumpily <i>Ian Black</i>	Brussels critics say the foreign minister idea is unworkable because one person cannot resolve the tension between nation states. Jack Straw also argues that the term minister is misleading. "Minister in which government?" he asks. Britain insists Nato, not the EU, will remain the centrepiece of European defence <i>Ian Black and Ewen MacAskill</i>	Tony Blair backs an extension of qualified majority voting on the issue, arguing that this will not threaten Britain's right to decide who enters the UK. Nevertheless the commission wants its proposals to lead to the development of a European border guard force, a move resisted by Britain so far <i>Alan Travis</i>	Worries about creating new economic and social rights not enshrined in UK law have been largely overcome in the final draft, which calls for detailed "explanations" about the legal applicability of the charter. This means the charter might only apply at EU level. Critics, including the Tories, say it undermines national powers across a broad range of issues <i>Ian Black</i>	Eight countries, including UK, oppose the idea. Britain believes it would not tackle the root causes of fraud and would mean "loss of national accountability for prosecution decisions" in criminal law. Supporters, led by France and Germany, argue that national police forces lack the links and resources with other forces to chase the biggest fraudsters <i>Clare Dyer</i>	There are two arguments. The first is that tax decisions are matters for democratically-elected governments. The second is that taxes will be harmonised upwards, as high-tax countries try to bring low-tax countries up to their level. That might lead to companies moving to North America or Asia. Tax is a key sticking point for Britain, which will not agree to QMV <i>Larry Elliott</i>

Europe's asylum policy shameful, says UN

Britain to push for launch of pilot scheme in East Africa

Alan Travis, Ian Black and Michael White in Porto Carras

The European Union's failure to share the burden of hosting the huge refugee populations faced by developing countries is both "shameful and pound-foolish", the head of the UN's refugee agency will say today.

Tony Blair, with the backing of the European commission, was last night fighting to get the summit's agreement to the UN's plan to set up "zones of protection" in global trouble spots.

On asylum, Britain, with backing from Denmark, Austria and the Netherlands wants the first EU pilot scheme to be launched in East Africa, probably for refugees fleeing war and famine in Somalia.

Writing exclusively in the Guardian today, Ruud Lubbers, the UN's high commissioner for refugees, says the amount spent on refugees in their region of origin is so woefully inadequate it is little wonder they head for Europe.

"Their original hosts, with inadequate financial support, are unlikely to encourage them to stay. Nor are they likely to welcome them back, just because Europe doesn't want them either."

Mr Lubbers says the scheme

will mean donor states supporting refugees in their original host countries, helping them to return home, to resettle to other countries, or start new lives locally.

He says such a major flow of development assistance will increase the self-reliance of refugees and benefit the host countries and so reduce the pressures to seek asylum further afield.

British ministers also hope this will reduce refugee flows and curb asylum abuses. "By setting this up you offer people refuge and a safe haven close to where they live so it's easier to get there and get home again if the situation improves," one British official said.

The scheme also recognises that the vast majority of the 12 million refugees in the world remain in the regions close to the country of origin, often supported by the UNHCR.

Britain has dropped its more controversial idea of setting up refugee transit processing centres on trafficking routes into Europe because of objections from Germany and Sweden.

Twelve British refugee and human rights organisations last night wrote to Tony Blair voicing concern about British backing for the new UN plan: "These proposals will be seen as shifting responsibility for asylum seekers and refugees to some of the poorest countries in the world and sends a dangerous signal about the UK's commitment to human rights," said Margaret Lally of the Refugee Council. "The safety of refugee camps, and



Costas Simitis greets Silvio Berlusconi at Porto Carras Photograph: Laurent Rebours/AP

'safe havens' have frequently been called into question," the letter says.

The stakes will be high for Mr Blair today when he meets the president of the Brussels convention. The constitution is designed to simply and clearly EU decision-making and powers before 10 new members bring the total population to 450 million.

No other EU country has had Britain's tabloid-driven

debate about a "blueprint for tyranny," though France, Spain and Ireland have objections to some proposals.

Mr Blair will tell EU leaders that Valéry Giscard d'Estaing's draft EU constitution is a "good basis" for future negotiations between governments.

The prime minister flew to Salonika determined to demonstrate the low-level significance he attaches to discussions on the constitution by returning to London this af-

ternoon, half a day ahead of his fellow summiteers.

Mr Giscard's text has the legitimacy of having been drawn up by the 105-member European convention, though the last word rests with governments when they negotiate a new EU treaty.

The prime minister and his foreign secretary, Jack Straw, have led cabinet colleagues and officials in a resolute effort to make light of the laboriously negotiated draft. Mr

Blair is playing it cool to demonstrate his confidence that no fundamental changes are at stake — and that the referendum demanded by Iain Duncan Smith and the Tory press is not needed.

Fellow EU leaders have praised the deal he did with the chancellor, Gordon Brown, to keep open options for joining the euro by 2007.

This morning's summit session with Mr Giscard is likely to welcome his draft before the

Summit greeting: a handful of dust and mud in your eye (from the shower)

Helena Smith in Salonika

It was meant to be an idyllic alternative: Porto Carras, Greece's biggest grand resort, where the great and good of Europe could contemplate the future of their continent.

But in choosing to end its six-month EU presidency at the ancient birthplace of the Giants, instead of Salonika, the summit's security-challenged original locale, Greece may have been overly ambitious.

Last night there were signs that the landmark event, the first since the newly enlarged EU spread eastwards, was doomed before it had begun.

Silvio Berlusconi, Italy's beleaguered prime minister, was the first to give a taste of the trouble ahead.

Arriving in his Lear jet at Macedonia airport, he reportedly took one look at the Chinook helicopter due to fly him to the resort and balked. Only after much coaxing did his aides manage to persuade him to board.

"There's been a bit of a problem with landing at Porto Carras," one EU diplomat conceded. "The heliports are very near the golf course, which has meant all the leaders have been greeted with a lot of flying dust."

Taking a shower to solve that problem wasn't easy either. "There have been cases where instead of water, delegates have turned on their taps to discover a mud drip."

Much of the complex was renovated in under 40 days

after the Greek prime minister, Costas Simitis, discovered that what it had to offer was a little wanting.

Many of the rooms in the five-star Melton hotel were only completed last week. Space is allegedly so tight in the 1,040-room resort that many EU mandarins have been forced to put up with shared accommodation — an unwelcome departure from the style to which they are accustomed.

With the complex's media centre accounting for up to 20% of the peninsula's entire electricity supply, power cuts have been prevalent.

Staff admit that around 1,500 builders, from Asia, Africa, and Albania, worked around the clock to get the resort ready in time for the summit.

Ruud Lubbers, page 16
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