



**EPP2014**  
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# EPP ACTION PROGRAMME

DUBLIN CONGRESS

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## **EPP Action Programme 2014 - 2019**



## **INTRODUCTION**

### **The way we want to live**

We want a bright future for Europe and its citizens. We are determined to lead Europe out of the crisis. We want our economies to return to job-rich growth. Young people should look to their future with confidence. All of our people must enjoy the permanent sense of security Europe is able to provide, in all aspects of their lives. We want to live in freedom and dignity. We do not want to incur debt which our children will be forced to pay back. That is why we can only spend money and use the resources we have.

Our planet, our freedom, our resources: If we want them to last, we have to treat them with care. If we want our children and future generations to live in a healthy world, in freedom and happiness, we have to make the right decisions today. We have to place a new emphasis on solidarity. We need balanced public finances, modernise our economies, invest in knowledge and innovation and strengthen European economic governance. Some of this depends on us as individuals, but it also depends on the way we organise ourselves: in our communities, regions, nation states and in the European Union. Many national and regional laws derive from European legislation. Our daily lives and our futures are influenced by the decisions taken in the European Parliament.

The outcome of the next European elections in May this year will determine the direction of EU policy on a range of important issues, which in turn will have a significant impact on the lives of over 500 million European citizens.

These elections must be viewed as an opportunity for a truly European debate on European issues, an opportunity to consider our long term future. The successful European project has reached a critical juncture. The European Union is the solution to the crisis, not the cause.

That is why it is so important to make the right choice in the 2014 European elections. The European People's Party will make your vote count.

### **Community of values**

The European Union is a community of values and a community of law. It is founded on Europe's rich culture and long history which have helped our political family to develop its central values and principles: freedom, responsibility, justice, security, respect for the dignity

of human life in every stage of its existence, solidarity which forms the basis of social cohesion, cultural and linguistic diversity and subsidiarity, which ensures that political decisions are taken as closely as possible to the citizens. We stand for equality between women and men, family, the separation of powers, democracy and the rule of law. The EPP Platform, adopted in 2012, reflects our values, priorities and main policies.

The freedom of religion, including the right to convert or to hold no religion, is a fundamental human right. We recognise the Greco-Roman and Judeo-Christian roots of our civilisation and the Enlightenment as sources of inspiration.

### **The European Union we need**

The financial and economic crisis has affected all Europeans. It was caused by a diverse range of factors, including excessive public and private debt, a lack of competitiveness in certain Member States, flawed regulation of financial markets and insufficient integration in the Euro area. For many citizens, this has led to very difficult challenges, which we must strive to overcome together.

The European People's Party has always been the driving force of European integration. It has contributed to the fall of Communism, welcomed new Member States and championed an ever closer union. Over time, it has become Europe's largest political family and today, its member parties are in government in a majority of EU countries. In this crisis, the EPP is the party of responsible government.

Others speak of social justice and rights, but say nothing of how these can be advanced and safeguarded. We are the ones that stand for genuine, substantial and long lasting growth facilitated by a clear vision and strategy for the future, step-by-step reforms of the economy while preserving social cohesion, which encourage businesses to invest and people to be able to enjoy and to study, work and consume based on a higher, healthy and sustainable standard of living. We oppose the short-sighted actions proposed by the socialists, such as recklessly printing money. We seek long-term, sustainable answers and we reject the false 'solutions' offered by the populists.

In 2009 and 2010, EPP parties in governments reacted quickly and decisively in order to pull Europe back from the brink of disaster. In 2011 and 2012, we kept the Euro area together. We have set the agenda for economic reform and growth-friendly fiscal consolidation in the

Member States. Now, we are considering the fundamental changes which are needed to reform the EU itself, so that it will be in a position to face the challenges ahead with confidence and secure a bright future for our citizens. The preservation and sustainability of the euro area is also of crucial importance to countries that do not use the euro as their currency.

It is time to re-affirm the values of the Social Market Economy. It requires balancing the principles of freedom and solidarity, along with the need for free markets and the common good.

### **Europe and its citizens**

First and foremost, in order to better serve the interests of all Europeans, we need a stronger European Union. Sharing the same currency in the euro area requires closer coordination on national budgetary and economic strategies. A strong EU is also key to creating a successful security policy, protecting our citizens at home and our interests around the world. Above all, a strong EU is the best answer to the challenges of the 21<sup>st</sup> century. Therefore, the EU must become a genuine Political Union.

The European Union involves all of us. We need to preserve and be proud of our diversity, traditions and cultural heritage. Respect for diversity has always been an essential element of Europe's success. Not every political problem should be solved on the European level. We need less regulation, and instead a new emphasis on implementation and control. Parliaments and governments in our regions and nations remain vital to our future. If more responsibility is to be shifted from the Member States to the EU in some fields, the EU also needs to become more transparent and democratic. There is no future for the Union without the involvement of its people. The Union itself has to be within the citizen's reach, comprehensible and simple. National parliaments must become more pro-active and involved in European decision-making within the framework of national constitutions. We are aware that unity within states is essential for the EU.

For the first time, the European Parliament will elect the President of the European Commission after the European Council, the institution composed of heads of state and government, has proposed who this should be. This proposal will take into account the result of the European elections and will follow consultations with the European Parliament.

This will ensure that citizens will, for the first time, directly influence who will become the president of the executive body of the European Union through their votes, just as is the case for national governments.

In order to shape the future it is essential to remember the past. Exactly one hundred years ago, the lights went out all over Europe. The year 1914 marked the beginning of the most devastating war Europe had ever experienced, claiming many millions of lives, and destroying the future of a whole generation. 75 years ago, the world was set alight again. Today, such catastrophes seem unthinkable in Europe. That is the case because we have been sharing strength, political power, wealth and knowledge over the decades of closer European integration. Replacing the rule of the powerful with the rule of law through common institutions and democratic procedures by fostering the community method, which has allowed us to ensure that the strong are just and the weak are secure. These are achievements that belong to all of us, and we should not allow ourselves to forget them. We are proud that the EU received the Peace Nobel Prize in 2012.

Europe has been in crisis for more than five years. Many people, especially the young, do not foresee a positive future. Euroscepticism is growing. But there are reasons for optimism. This is not the first crisis we will overcome. If we act together and take the right decisions today Europe can emerge from the crisis stronger and more prosperous than before.

### **Our idea of a better Europe**

Europe has come a long way. The European People's Party has contributed more to the development of the European Union than any other political force. The founding fathers of a united Europe were Christian Democrats. Over the last 50 years, the men and women of the European People's Party have been at the forefront of improving and successively expanding the Union, as well as introducing the Euro. All this enabled us to live in peace, security and increasing prosperity over five decades. While others have talked, we have acted.

We want a better Europe. The European Union must become stronger, simpler and more democratic. These aims in no way contradict each other. In fact, they actually reinforce one another. In order to make progress in this regard, it is imperative that the EU institutions work better together and come closer to the citizens. A lot can be achieved within the existing legal framework.

**A stronger Union:** No country can face the challenges of the 21<sup>st</sup> century alone. Either we become stronger together, or weaker in isolation. This is true for foreign and defence policy, climate protection and energy policy and, perhaps most of all, for fiscal, economic and social policy. Therefore, on strategic matters, our member states must enhance their cooperation and act together. They must also develop means to render their decision making mechanisms more efficient. For the Council, this means allowing more decisions to be made by qualified majority in the fields of foreign policy and justice and home affairs. The Council should be reformed into one central formation that takes all legislative decisions prepared by the different Councils of Ministers. This may lead to less regulation and legislation in the future.

The European Commission will maintain the principle of one commissioner per country. If we manage to reduce the number of Commission portfolios, the committee structure of the European Parliament should match the Commission portfolios. The Parliament will have to monitor those portfolios much more closely.

**Streamlined institutions, simpler procedures:** The EU must become more active on those strategic topics that are best dealt with on the EU level, and devote less energy to those which are better dealt with on the national, regional or local level. It has to be bigger on the big things and smaller on the small things. This is in tune with our political family's emphasis on subsidiarity: to address every problem as closely as possible to the citizens. The Commission should act as a gatekeeper to prevent overregulation and centralisation. It should move to reduce the number of legislative proposals.

**More democracy:** In future, it must be clearer that the citizens control how EU institutions function, rather than EU institutions controlling the lives of the citizens. That means that elections to the European Parliament must become, more clearly than before, contests between clear political alternatives, and between the leaders representing those alternatives. Elections to the European Parliament must become de facto elections for the position of President of the Commission. Once the voters have made their choice, the EU institutions must assume political responsibility for their decision before the people.

## **FROM REFORM TO GROWTH AND JOBS**

The European Union is the largest economy in the world. We possess a wealth of economic and cultural resources and have a responsibility to utilise them in order to maintain economic and political leadership.

While Europe is presented with great opportunities, it also faces some great challenges. There is every reason for optimism in this new global landscape, but it also requires a willingness to adapt, change, reform and innovate. We can exit the crisis with our European values intact and strengthened. To remain a strong and competitive international player, with the ability to create jobs and ensure the wealth of our people, we need to carry out reforms on the one hand and make sustainable and targeted investments on the other.

Creating the right conditions for sustainable growth and job creation in Europe is the key political objective of the EPP for the next five years. To achieve this, we have to make our economies stronger and our industries more competitive and resilient. We want to provide a better future with new opportunities for all European citizens, especially the young. We are committed to achieving this by putting into practice the principles of the Social Market Economy, in which competitiveness and entrepreneurial freedom are combined with social justice and sustainability. We believe the Social Market Economy is the best model to allow every individual to reach his or her full potential while advancing solidarity and the common good. This also means that politicians have a responsibility to set appropriate rules to govern and regulate markets.

### **Economic reforms for more employment**

Reforms are necessary today to ensure the right conditions exist to create new jobs and guarantee the sustainability of our social security systems. As several countries in Europe have shown, an early implementation of reforms to build modern, innovative and competitive economies paves the way to create dynamic economies and new jobs. Reforms can restore much-needed fiscal credibility and provide the basis for growth and job creation.

Now is the time for reforms which will allow for the creation of new jobs and sustainable growth. If reforms are delayed, so is growth; if growth is delayed, our social security model, one of the main pillars of the European model of the Social Market Economy, is jeopardized.



These reforms should include improvements in the health sector, pension systems, labour markets and education systems. Social dialogue is a prerequisite for the successful implementation of comprehensive and fair reforms.

Progress towards achieving the Europe 2020 Strategy targets of an increased employment rate and reducing poverty is currently unsatisfactory. Therefore, the Europe 2020 process should be strengthened.

As the economy has to serve human development, market oriented reforms at both national and European level aimed at improving Europe's economic performance and completing the Internal Market are essential for fostering competitiveness and attracting private investment and strengthening our economy. The level of private investment in the EU has fallen by 350 billion Euro per year since the start of the crisis. Creating the right conditions to get the investment in the EU back to and above pre-crisis levels will be one of the most important challenges in the years to come. Structural reforms are pivotal to improving the conditions for investment, attracting private capital and creating the right conditions for growth in Europe. They are also necessary to deal with future structural challenges such as the demographic changes that Europe can expect to face in the coming years. Competitiveness, a focus on education and a new industrial and entrepreneurial spirit are pre-conditions for prosperity, whereby healthy, competitive economies attract investors and create high-quality jobs in Europe. The internal market should be enhanced by encouraging economies to facilitate more labour flexibility and mobility. To become a knowledge-based society we have to improve coordination between our education systems and work places, enhance the links between education and industry, implement dual educational systems where feasible and recognise the value of non-formal education. We also have to stimulate entrepreneurship through reducing bureaucracy and reforming taxation systems. This will lead to growth without additional public spending.

High levels of unemployment, particularly youth unemployment, is a danger for social cohesion and for European integration. It undermines the goal of sustainable development, growth and competitiveness, as it deprives the EU of valuable know-how, innovation opportunities and human resources. Labour markets need to be reformed in order to allow

for a greater number of people to have a decent job. Jobless growth is not an option for Europe.

- We will promote inclusive and active employment policies. We want innovative education systems and better qualifications for our citizens as well as modern, life-long learning training systems in order to provide access to high-quality jobs which match the needs of new production models.
- Labour market mobility should be encouraged to allow all citizens to benefit from the largest market in the world. All remaining barriers that limit labour mobility across all EU Member States must be removed while respecting social standards at national level and striving for upward social convergence between EU Member States. As language skills are often a key barrier to labour mobility within Europe, policies to reinforce language training in education or on the job should be a priority.
- We want better European coordination for the provision of relevant and accessible training and job searching facilities for unemployed people to allow them to benefit from labour mobility in Europe.
- We will evaluate the viability of implementing successful national measures against youth unemployment, such as dual vocational education, opportunities for flexible employment, traineeships and apprenticeships to see how they can be applied by other EU Member States.
- We support a mobility programme for young entrepreneurs, based on the model of the Erasmus programme. 10,000 exchanges per year could be organised through this programme which would facilitate a new generation of entrepreneurs to realise the benefits of the Internal Market.
- We support measures to promote entrepreneurship at EU and Member State level, such as encouraging Member States to integrate entrepreneurial education in school curricula and strengthening the entrepreneurship elements within the youth guarantee to promote entrepreneurship and self-employment amongst youths.
- We aim to increase the employment of women, not only to give practical expression to the value we place on promoting equality between women and men, but also to contribute to general economic and social development.
- We encourage the implementation of proactive measures that specifically target the full inclusion of young women into the labour market. These type of measures need to

be backed by a strong political will to reconcile work with family life, promote the diversification of careers in order to tackle labour market segregation and to foster female entrepreneurship in particular.

- We need an integrated strategy for the inclusion of older workers in the labour market.

The unacceptably high youth unemployment rate in some EU Member States requires decisive action, at both European and national levels, as well as targeted measures, such as the creation of incentives for enterprises and companies to recruit young people. We support the efforts of the Member States at national level, which have to be combined with the tools and financial resources available at European level, to reduce youth unemployment and encourage entrepreneurship. EPP supports EU programmes especially in the field of research and innovation, which aim to provide young people with access to high quality jobs, training or apprenticeships after their graduation. We will promote the speedy implementation of these programmes at national level.

We must achieve progress in the fight against poverty and social exclusion which affects millions of Europeans and threatens the vindication of citizen's human rights. Child poverty, in-work poverty and poverty among the elderly particularly warrant our attention. Fair wages are an important tool to prevent these forms of poverty. We support country-specific minimum wage levels implemented according to national labour laws.

We regard active ageing as an important factor in improving quality of life. Active ageing should be promoted as part of a wider reform of pension systems to ensure they are adequate and sustainable and do not jeopardise the stability of public finances.

Effective child care, education and health systems, together with the provision of care for the elderly and people with disabilities and the integration of marginalised communities are crucial for the well-being of Europe's citizens, for the inclusiveness of our societies. These are also important factors to ensure labour markets function properly and to address future demographic challenges. Another important question that needs to be asked is how best to increase the number of women participating in the labour force and in decision-making positions. Increasing the rate of employment will enable the EU to grow stronger, and allow more citizens to contribute to the common good.

We promote the restructuring of the public sector in order to deliver high quality public services in a transparent, accountable, effective and efficient manner whilst ensuring that administrative burdens are minimised.

We also support the continued fight against corruption. Structural reforms will release vital resources that should be reallocated to create jobs and growth. Citizens and businesses need streamlined, integrated services that do not waste time and money. E-government, digitalisation of the public sector and e-learning are crucial in this sense.

In order to respond to the demographic challenges and to make pension systems sustainable, adequate and safe, more people will have to work for longer. This will have to be achieved by raising the actual retirement age and disincentivising early retirement. Reinforcing intergenerational solidarity is needed in all areas of society.

#### **More public spending is not the answer**

There will be no way out of the crisis without budget consolidation, and there will be no budget consolidation without the reforms necessary to promote sustainable growth. Countries that have made timely reforms are much better positioned than countries which postponed structural reforms. Postponing reforms has led to higher unemployment, lower private investment and unsustainable debt. Investing in unreformed economies never generates sustainable growth. Fiscal consolidation and the regulation of financial markets are necessary conditions for preventing future crises.

Given current high debt levels, additional irresponsible public spending, as proposed by other political parties, will inevitably lead to an economic and social disaster. The link between declining competitiveness, irresponsible spending, poorly regulated banks, unemployment, high debt levels, and insecure welfare and social security systems is clear.

The EPP does not believe that a further exacerbation of debt and deficit levels is the right way to exit from the crisis and create growth in Europe. While recent experience has shown that more government spending is not the answer, it also has become evident that EU Member States which took determined steps to reshape their public finances have seen strong economic growth in the last couple of years. The EPP has a clear preference for trimming unproductive expenditures over increasing rates of taxation. The decline in

competitiveness and productivity is one of the leading causes of the crisis in Europe. Our economies can only compete in a globalised world if they are strong and capable of adapting.

- We stand for fiscal consolidation implemented in a growth-friendly manner. We need to strike the right balance between fiscal consolidation and growth-enhancing policies, which support the real economy and help to create new, stable jobs, in order to tackle high unemployment rates and protect social cohesion.
- We stand for sustainable growth based on a competitive and innovative economy. Through structural reforms we will create healthy, competitive economic structures which attract private investment, create growth and increase employment.
- We reject taking on more debt today, because it will harm everyone tomorrow. We are committed to implementing all of the measures already agreed at European level that will improve economic governance, reduce debt and strengthen our economies.

#### **Smart investments are a solution**

Public investment should, first and foremost, focus on growth-generating areas, such as education, research and innovation. To meet this aim, the public sector should foster co-operation with the private sector. Developing the European economy into a worldwide, competitive, knowledge economy is one of the most important challenges for the European Union in the years to come. Knowledge is central to economic growth and job creation and we must, therefore, create the best conditions for developing a knowledge-based society without leaving people behind. Research and innovation, especially higher education institutions and centers of excellence, are key elements in this respect. High-quality education - as well as increased mobility for students and researchers - are crucial for improving the competitiveness of the European economy. Public funding for research and development (R&D) will trigger private investment in research, innovation and infrastructure and make Europe a global hub for the world's best researchers. If Europe is to capitalise on increased R&D investment, we must ensure that new ideas are translated into real products and services on the market.

- We support initiatives at European level aimed at re-launching our economy by stepping up targeted investment, developing EU networks in the fields of energy,

transport and Information and Communication Technology (ICT), in particular through Public Private Partnerships (PPPs).

- We urgently need to enhance the role of the European Investment Bank (EIB) to facilitate easier access to capital, especially for our Small and Medium Enterprises (SMEs).

### **Measures for a strong Euro**

The Euro is more than just a currency. It is a great unifying project and indispensable for Europe's future. The Euro not only strengthens the economy and make us more competitive internationally, but also creates political stability by facilitating internal coherence and common policies towards the outside world. The Euro is more than just a currency. It is a great unifying project and indispensable for Europe's future.

The crisis has shown that we need profound economic reforms at national level, while reshaping economic governance on the European level.

- We need strong governance to protect the stability of the European Economic and Monetary Union (EMU).
- The Euro, as our common currency, is based on the principle of price stability in order to provide the Single Market with a reliable currency and help us to maximise the benefits of being the biggest economy in the world.
- A monetary union needs budgetary and fiscal rules which have to be respected. The European Commission shall make full use of their powers to make sure that EU countries reform and respect already agreed rules to reduce debt and deficits. The Commission needs effective tools to safeguard compliance of those Member States that do not fulfill the EU's economic governance obligations.
- The monetary Union also needs the tools and means to stabilize the economy. The Banking Union is an important step. Further coordination of fiscal and budgetary policies should be considered.

The implementation of these sanctions needs to be improved. This is one of the key lessons from the crisis.



Membership in an Economic and Monetary Union has great advantages for participating countries, but it must go hand in hand with responsibility and solidarity. As long as each country fulfils its responsibility, all can benefit from it. We need to restore confidence in the Euro area as a whole and in certain Member States in particular. We must therefore preserve the cohesion of the Union. We all benefit from the common currency and the Single Market. We need to stand together, especially in challenging times and help those countries in difficulty; they in turn need to reform in order to avoid new crises. We acknowledge the immense efforts and sacrifices made by people, companies and governments since the beginning of the crisis. The EU must support their efforts to modernise their economies and create new jobs.

The economic developments and decisions made in the Euro area have a fundamental impact on EU countries, even those that do not use the Euro as a currency.

- We invite all EU Member States to enhance their coordination of economic policies, because we want to avoid strains within the Single Market. Improving economic governance will help prepare non-Euro members to join the Euro area in the future.
- The long-term political goal of the EPP is that the EU and the Euro area should eventually converge. All EU members that fulfil the criteria of accession to the Euro area shall be given the chance to join and reap the benefits of the common currency.

### **Healthy banks to drive investment**

The crisis has shown that irresponsible risk taking can jeopardise the stability of the whole economy. Banks should participate in sustainable developments. Irresponsible risks taken for short-term personal and shareholder benefits, as well as moral hazard, need to be legally controlled. Excessive bonuses are unacceptable. The new rules on banker's bonuses need to be implemented by Member States without delay. The financial sector is crucial to driving investment in the real economy, stimulating entrepreneurship and economic development. Regaining citizens' confidence in the financial sector is essential for the functioning of our economies. Banks need to focus primarily on their main function, which is serving the real economy, stimulating entrepreneurship and economic development.

The creation of a banking union is essential to the survival and prosperity of the Euro area. We must ensure that the vicious link between sovereign debt and bank debt is finally

broken. A healthy Banking Union is essential to achieve this. To ensure a stable EU banking sector the completion of the Banking Union is of paramount importance. This involves implementing the single rule book, i.e. bank capital rules, the recovery and resolution framework, a rule for national deposit guarantees schemes, a common effective supervision mechanism, and a single resolution mechanism for systemic banks. We support a common banking supervisory system by the ECB for all systemic and transboundary working major banks. For smaller banks such a strict supervisory system is not necessary. This is key to creating a better banking system in Europe. On the global level, we Europeans have to work together to achieve a regulatory framework for the financial markets in order to ensure that there will be no supervisory 'black holes' which endanger the stability of the world economy once again.

### **Developing a Digital Agenda for growth and jobs**

Europe's Digital Agenda for 2020 adopted a number of targets, including: broadband uptake and access, e-commerce, digital inclusion, cross-border public services e-learning and research and innovation. The EPP has been, and will continue to be, at the forefront of the development of the Digital Agenda. More specifically, the EPP is committed to promoting investment in the deployment of a next generation broadband network and to reaping the benefits of new mobile services by further enhancing mobile spectrum allocation efficiency. A stable and predictable regulatory environment must be guaranteed.

Lastly, the EPP is committed to enhancing research and development efforts in ICT as well as creating the best possible environment for the uptake of promising new technological developments with the potential to impact positively on Europe's competitiveness, such as cloud computing. A business framework needs to be established to bring back to Europe development and production competences in the area of information and security technologies, thus reducing dependencies on third countries. In this regard the EPP believes that Europe's Cloud Strategy is crucial to the completion of the Digital Single Market. Cloud computing will also have a huge impact on Europe's competitiveness in view of the completion of the single market.

### **Strengthening Europe's industrial base and competitiveness**

A strong, dynamic and innovative industrial base is essential for economic growth and prosperity. The real economy, our SMEs, plus an innovative and creative industrial sector, are central to our economic recovery. The EPP endorses the target of boosting industry as a proportion of the EU's GDP to 20% by 2020 with a view to making Europe an attractive place of production and investment. Industry means production and production creates sustainable jobs. If industry is to have a sustainable future in Europe, it needs to retain and develop its innovative capacity. This requires the EU and its Member States to be serious about realising its objective of spending 3% of the GDP on research.

The EPP renews its commitment to setting a common industrial policy based on a real convergence of economic and social norms. The pillar of any common industrial policy is research and innovation. We encourage the launch of European tenders to develop new innovative technologies and set common research programmes between top universities and research organisations.

### **A new Energy and Climate Change policy towards a competitive and green European economy**

The aim of our energy policy is to safeguard the supply of energy to Europe at affordable prices and in an environment friendly manner. The rapidly increasing global demand for energy, as well as the growing energy price gap between Europe and the US, and the challenge of tackling climate change, necessitates moving away from our dependence on fossil fuels. We must create opportunities for European businesses to develop new sustainable technologies which can provide new jobs, decrease our dependence on energy imports and help to develop further a credible European policy to fight climate change. In this context, the EPP wants the European Union to be the frontrunner in carbon-free and low-carbon technologies as well as in the clean-tech sector.

We would also like to establish a common energy policy by creating a real European electricity system through the convergence of transport networks and creating coordinated markets of capacities at the European level in order to share the costs, guarantee supply security, avoid power failures in peak times, notably during the winter, and generate investment for renewable energy sources.

We are convinced that a courageous and rapid move towards the most modern and efficient sustainable technologies will benefit not only our climate and provide the basis for a global solution to climate change, but that it will also be beneficial for the economy as it will make us less dependent on fossil fuel imports. This is an important investment, which will benefit all of our citizens and future generations. The European Union must remain the world leader in this area. Furthermore, Europe must engage all relevant international partners in order to advance towards setting tangible global climate change commitments, a pre-condition for succeeding in combating climate change.

Binding, but realistic, EU level targets for 2030 could be proposed for those policy areas where they provide a proven added-value in terms of investor certainty, as well as cost-effectiveness. We should develop a more integrated, cost-effective EU mechanism to support renewable energy technologies which are not yet competitive. European climate and energy policies must also safeguard the protection of industrial sectors facing fierce international competition.

The objective of putting the EU economy back on the growth track can only be achieved if energy prices are competitive and supplies are sustainable and secure. Today, energy prices are substantially higher in Europe than in the US and other international competitors, which burdens EU industries with a severe competitive disadvantage and represents an increasing burden for SMEs and private households. In that sense the EPP is fully committed to diversifying our energy sources and to the completion of the internal energy market. True competition will help bring down energy prices. No region or Member State should remain isolated from European networks after 2015.

Europe's energy dependence is one of the biggest challenges for the competitiveness of our economies. We need a common approach and public support to reduce this dependency, as well as a clear common approach to preserving and exploiting energy resources within the European Union, reducing energy consumption and investing in research on low-energy technologies and renewable energy. Significant investment in new and intelligent energy infrastructure is needed to secure the uninterrupted supply of energy at affordable prices. Such investments are vital for jobs and sustainable growth and will help enhance competitiveness.

### **Fighting tax fraud, tax evasion and tax avoidance**

Tax fraud, tax evasion and tax avoidance undermine citizen's trust in public administration. These practices are unethical and unfair to those who work hard and contribute their fair share of taxes in order for society to function properly, as it steals resources from the financing of education, public health and welfare. It distorts a level playing field, creates an uncompetitive environment for companies and undermines the efforts of countries seeking to restore sound public finances. Tackling tax evasion, addressing bank secrecy and fighting money laundering are crucial components of a functioning democracy.

Tax fraud, tax evasion and tax avoidance are, to a large extent, a cross-border problem. They therefore demand a cross-border solution. We will fight for the establishment of a common definition of EU tax havens and decisive action against them. Other new measures are required, including improving methods used to identify taxpayers involved in cross border tax evasion operations, strengthening rules on mutual assistance and enhancing the coordination of tax systems in the EU. These measures should also include the establishment of a common consolidated corporate tax base. The EU shall also push for higher standards of transparency in international fora, such as the G20. Existing bilateral agreements between any EU country and third countries, or overseas jurisdictions, shall apply equally to all EU countries in order to ensure a level playing field.

### **Reforming the Single Market to make it a real engine for growth**

Providing for the free movement of persons, capital, goods and services across the European Union is a key policy to stimulate economic growth without further increasing public debt. We must act with urgency, both at the Member States and European levels, to remove the remaining barriers that hinder market access and competition while respecting core labour standards and social rights. It is of utmost importance to ensure that the Single Market laws are implemented and enforced correctly by the Member States so that citizens and businesses can truly benefit from the Single Market. The reform of the EU's Single Market is the best way for Europe to increase the level of competitiveness and return to growth and attain high levels of employment. The implementation of the Services Directive is therefore an urgent priority.

Creating a Digital Single Market is crucial, since it can be a driver for competitiveness and economic growth, providing jobs for highly qualified workers while at the same time presenting consumers with a wider choice of goods at competitive prices. By breaking down barriers for European companies and entrepreneurs, the digital economy can act as a spearhead for creating jobs and achieving a competitive Single Market. By linking the digital agenda with the development of e-commerce and new services such as e-health, e-trade, e-banking and e-learning, improving digital infrastructure is pivotal in opening up the Single Market.

The digital economy has become a reality and has many advantages for citizens all over Europe. Sustainable and strategic investment in key enabling technologies is a driving force to foster the technological and economic competitiveness of Europe. These technologies enable the development of those goods and services that can become part of everyday life in the future. We want to support these technologies by providing funding opportunities to make Europe an attractive business environment for these industries and to incentivise cooperation between research institutions, industry and SMEs.

By advancing a truly trans-European transportation network we can facilitate the movement of both people and goods. The EU should take steps to remove bottlenecks, especially in the form of administrative and technological barriers in order to create a modern, efficient and sustainable European transportation infrastructure.

### **Strengthening SMEs**

SMEs are the backbone of the European economy and play a fundamental role in our efforts to create new jobs. All efforts should continue to restore liquidity to the economy and facilitate financing of investment, particularly with respect to SMEs. We recall that all EU Member States must respect the agreed principle of the Small Business Act which stipulates that it should only take three days to start a new company in the EU. Rules should be simplified, red tape should be cut and SMEs should be given real opportunities to grow by commercialising their products and services freely across the Union's Single Market and beyond. That is why we encourage the finalisation of the Common European Sales Law project, which has the potential to significantly benefit consumers by encouraging more cross-border sales, particularly by SME's.



We need to create the right conditions for SMEs, enabling them to reach their full potential. Proper market access and affordable intellectual property rights for both SME's and larger companies will increase incentives for profitable innovation. We should ensure that the EU remains fiscally competitive for entrepreneurs and innovators. We will fight for more accessible R&D funding and better market access for SMEs through ensuring that public tenders are allocated in such ways as to foster innovation. Through the reform of the banking sector in Europe, we want to ensure that viable European SMEs have access to affordable credit, irrespective of the country of their establishment. The ECB and the EIB must have an active role and adopt measures in order to facilitate access to credit under reasonable conditions for companies, especially SMEs. Most SMEs are family businesses and there is a specific focus on them in the Small Business Act. Support should be provided on an equal basis to family businesses and to start-ups.

### **Ensuring a high level of consumer protection**

Consumers are at the heart of the Single Market and must be empowered to make use of their rights and be allowed to make decisions freely. Consumer protection must be reinforced, especially in the context of the development of the digital market, taking into account cross-cutting issues such as data protection, online advertising and unfair commercial practices. In order to ensure an effective and efficient enforcement of their rights, consumers must have access to redress mechanisms.

### **Investing in European regions: European solidarity for higher growth and competitiveness**

Economic, social and territorial cohesion enables all Member States, as well as regional and local authorities (including the cities), to make the best use of investment opportunities, according to their own needs, to enhance their competitiveness. Cohesion policy is also the instrument to implement the common goals of the Europe 2020 strategy. Reformed cohesion policy, focusing on innovation, SMEs, renewable energy and energy efficiency allows for strategic public investment in all Member States and is therefore not only an instrument which promotes solidarity, but also enhances competitiveness, ensures energy security and creates jobs and growth all over Europe. Efficiency and productivity need to be the key drivers of cohesion policy. Every Euro spent from the EU budget should bring added value to the projects it supports and to the communities in which the money is spent. EU

funding should be used to make the best possible impact on improving competitiveness and creating jobs in Europe.

### **Demographic challenges and harmonisation of work and family**

Longer life expectancy presents both a challenge and an opportunity at the same time. These changes will affect pension systems, health care systems, housing, assistance for the elderly, security, mobility, urban planning, transportation and tourism. Seniors have to be involved in the formulation and implementation of the policies adopted to cope with these changes and to prevent discrimination, abuse or poverty.

The social and economic implications of longer life expectancy are numerous. The impact on social security systems is crucial. We have to defend it in the interests of respect and intergenerational solidarity. Concerning health policies, we have to develop a strategy centered on the concept of "healthy ageing" which promotes lifelong healthier lifestyles.

Strong families are also a precondition for positive demographic developments. The EPP recognises the family as irreplaceable and as the core institution where love, charity, sympathy and human solidarity are cherished and instilled, thereby uniting different generations. While clearly honouring the importance of the family for raising children, the EPP advocates that pro-family policies should also focus on instruments which have proven their positive impact on the demographic trends, such as support for the family in the first years after the birth of children. The EPP reaffirms its support for promoting the human right to education and to parental freedom of educational choice.

### **Blue Growth: maritime policies as a source of growth and prosperity**

The Sea is a source of prosperity and growth potential for the whole of Europe. This is why the EU's Integrated Maritime Policy, must seek to provide a more coherent approach to maritime issues, with increased coordination between different policy areas that include growth, environment, shipping, fishing, sea zones, continental shelf, exclusive economic zones, and fishing zones. In these policy areas there are sectors of the maritime economy with high growth potential, where the EU should focus its attention on. This includes traditional industries, such as marine tourism and fisheries, and sea energy exploration as well as emerging economic sectors such as renewable energy sources, aquaculture and marine biotechnologies.

### **Safeguarding food and water security**

The world's population is increasing at a rate of 80 million per year. It is expected to reach eight billion people by 2025. This places ever greater demands on food security, especially in the developing world. Europe therefore needs a strong, efficient and sustainable agricultural sector. To ensure the future of European farming, we need a balanced and sustainable common agricultural policy that embraces different farming techniques, with a special focus on young farmers and the growing demand for local, seasonal and organic products. We also need to develop services in rural areas in order to avoid a rural exodus, especially of young people. Europe must also support fishing and aquaculture professionals with a common policy to promote sustainable and competitive fisheries. If we want to meet the demands of a globalised world while protecting Europe's citizens we must: a) ensure the production of high-quality products in the EU, taking into account the demands of farmers and consumers; b) ensure competitiveness at local/regional, European and global level; c) contribute to the global food balance, and by doing so, contribute to world food stocks, energy security and climate protection. To achieve these goals it is necessary to ensure that young people are given the opportunity to find jobs in fishing and farming in order to promote a dynamic, innovative and competitive European agriculture and fishery sector.

Water security is one of the main global challenges of the 21st century. During the next decade, tensions and conflicts over access to water are likely to become more frequent and could endanger stability and security in many parts of the world. Demographic and climate developments further complicate this situation. We have to work harder and faster to enhance partnerships, promote cooperation on shared waters and propose sustainable solutions to water security challenges.

### **Sustaining food safety**

EU citizens are more and more demanding and concerned about the quality, safety and origins of their food. The EPP pays special attention to the traceability of food products, placing an obligation on producers to provide information so that the consumer can decide for themselves whether or not to purchase the product. Information and education are essential to enabling our citizens to make informed choices. We underline that EU citizens have the right to: high-quality food, especially when it comes to hygiene and safety;

transparency and traceability in the food chain; clear, precise and informative food labelling; traditional and regional specialities and cuisines.

## **Education**

The EPP attaches high importance to the role of high-quality education in ensuring that the EU achieves its goal of becoming the most competitive, dynamic knowledge-based society in the world. Europe needs to focus on digital illiteracy and to build stronger links between education, new technologies and innovation. The EPP reiterates the importance of lifelong-learning programmes and of EU backed measures to provide people of all ages with fair access to high quality learning opportunities. The EU has to stay on top of up-to-date developments in education to provide youths with employment opportunities. New technologies like online education and the creation of a framework to recognise degrees from digital universities can provide the answer. The EPP stresses the importance of the new multiannual programme 2013-2020 with regard to education, youth and citizenship. Actions and measures taken in these programmes should respond to the needs of the European citizens and be based on an adequate and efficient budgetary framework.

The EPP believes that national minorities need legal safeguards to preserve and protect their language, culture and identity. The European Union should develop a legislative framework for the protection of persons and communities belonging to national minorities. Furthermore the EU should encourage that best practices are shared between member states.

## **Providing a future to young people**

The EPP is committed to young Europeans, just as young Europeans are committed to the European project. We believe in the ability of young Europeans to create, to grow, and to prosper. The best educated generation in the world deserves more and can achieve more. With hard work, with commitment and responsibility, the youth of Europe can strengthen our Union.

We are the political force that invited young people to participate in the decision making process, therefore we welcome the proposals of young Europeans from all over Europe:

- To have a complete internal higher education market by achieving: Full recognition of qualifications across Europe; a European framework for education standards; greater cooperation in research and increased mobility of students and lecturers beyond the existing mobility programmes; automatic recognition of degrees in all EU member states; a universal graduate diploma in the EU, which would allow full freedom of movement of students across the EU.
- To introduce EU education in schools across Europe in order to prepare the next generation for future challenges and to nurture to a European approach towards sustainable development.
- To launch an annual EU Job Fair week in higher education institutions across the EU.
- To launch an EU-sponsored network for young entrepreneurs in order to facilitate an exchange of experience, ideas and to foster transborder joint projects and investment.
- To focus R&D and innovation investment on boosting the economy and job creation.
- To harmonise the procedures of establishing a company in all the EU Member States.
- To launch an official EU network for collaboration between SMEs, large companies and educational institutions.
- To support the full implementation of the Points of Single Contact for start-ups, introduced by the European Commission and to further develop the EURES jobs site.

United, we can make sure that young people look at the future with optimism, hope and confidence.

### **Voluntary services**

Volunteering is a major tool for nurturing civil society and strengthening solidarity – one of the core values of the EU – as well as an essential component in supporting community development programmes. It plays a crucial role in improving social cohesion, shaping society and providing people with new competences and skills.

Cross-border volunteering in particular gives young European citizens opportunities for intercultural enrichment. The EPP supports more EU funding for volunteering and highlights its social dimension as an expression of European citizenship as well as the health, education and humanitarian benefits it provides.



## **SECURITY FOR EUROPEAN CITIZENS**

Security for citizens in Europe is a key priority for us. While assuring the free movement of persons within the European Union, we have to do the utmost to prevent criminal acts such as terrorist attacks, cyber-attacks, organised crime, fraud and corruption. We have to fight criminal acts as well as their causes. We have to fight new criminal threats that have emerged in areas such as intellectual property, individual privacy and personal integrity.

### **Open borders, immigration and integration**

The Schengen Area, which benefits 650 million travelers annually, is one of the greatest achievements of the EU. However, it is a process which has yet to be completed. The management of the Schengen agreements must place more emphasis on political responsibility sanctioning defaulting Member States and Frontex's resources should be reinforced. The internal mobility of qualified workers can contribute to tackling labour shortage in a number of member states. Whilst having abolished internal borders, Schengen states have also tightened controls at their common external borders to ensure the security of those living and travelling within the Union. EU Member States need to cooperate closely on border management to ensure internal security is maintained. External borders are prone to irregular migration, human trafficking, illicit arms and drugs circulation, as well as international terrorism. Frontex must be reinforced. The EU must also effectively cooperate with third countries' border security authorities to prevent crime from spilling over. The EPP underlines the importance of addressing root causes of migration flows by enhancing cooperation with the countries of origin and transit, including through appropriate EU development support and an effective repatriation policy. At the same time, victims of political and religious persecution must receive genuine protection.

EPP believes that when dealing with illegal migration, we must:

- Link financial assistance to third countries with their progress on fighting illegal migration and cooperating on issues such as asylum, readmission and returns.
- Promote extra cooperation and synergies of Coast Guard Services.

The EPP supports a common migration policy, which also reflects needs in our labour markets. Some of our Member States face a shortage of qualified labour that is not

completely met from within the European Union. Even in some Member States with higher unemployment, shortages of qualified labour do occur.

- The EU must remain competitive on the global labour market, which is why we need more skilled people in the EU.
- We need enhanced cooperation between governments, civil society and the private sector.
- We must develop a method to recognise diplomas and professional qualifications of non-EU migrants.
- Integration policies for migrants into our communities have to be developed and strengthened. Integration is a two-way road which involves both rights and responsibilities.

### **A European asylum system**

The right of asylum for people fleeing their country of origin for fear of persecution has to be respected and protected. Europe, with its political and economic stability, has a responsibility to show solidarity and provide safety for people in need. This must be carried out under conditions that are just, humanitarian and in accordance with the rule of law. The Common European Asylum System and the establishment of the European Asylum Support Office provides for standards to qualify for asylum, minimum standards for reception facilities for asylum seekers and the establishment of Eurodac for the comparison of fingerprints in all Member States. This is the foundation of shared responsibility and solidarity in this area between Member States. Now action is necessary for it to be fully implemented:

- We underline our clear commitment to the Charter of Fundamental Rights and the obligations of International law, including the Geneva Convention. As Member States work closer together to implement a common asylum system, legal opportunities for individuals to immigrate to Europe must develop;
- We have to improve the implementation of the Common Asylum System and enhance practical cooperation between Member States;

- We must show solidarity with third countries in troubled regions that carry the largest responsibility for displaced persons. We need to continue to provide support to the United Nations Refugee Agency (UNHCR);
- We must tackle the abuse of asylum systems;
- We need to exchange best practices between Member States;
- The EU has to build partnerships with countries of origin and transit and help them to develop their own asylum systems.

### **Return and visa policy**

We need to develop the necessary preconditions for an effective and humane system for return. The EU's policy to facilitate visa-free travel must not compromise our common efforts to tackle illegal immigration.

- We need to develop and implement voluntary readmission programs, the effective organisation of returns as well as increased cooperation with competent authorities in countries of origin and transit.
- A sustainable asylum policy requires tackling the root causes of forced migration and displacement. Therefore the EU has a strong role to play in reducing food insecurity, addressing the consequences of climate change in fragile developing countries and regions and strengthening democracy and the respect for human rights. This responsibility rests first and foremost with the individual Member States. Member States should allocate adequate resources and implement necessary measures to make sure that return decisions actually lead to the return of persons to their countries of origin. Cooperation at EU level has to be strengthened to allow for this.

### **Fighting organised crime and corruption**

The prevention of and fight against serious and organised crime, especially corruption and money laundering, are top priorities as they undermine the rule of law, fundamental rights, good governance and deprive governments of important revenues. These crimes harm the public and private sectors, decrease the confidence of the population, threaten democracy, damage the legal economy and distort the EU's internal market.

Moreover, recent cases of alleged corruption involving EU politicians undermine the credibility of EU institutions. We have to put an end to corrupt and non-transparent

practices. The fight against corruption should not be abused for political purposes and the guarantee of a fair trial and presumption of innocence are fundamental human rights which need to be respected. We believe that transparent politics is vital for the future of democracy and we are committed to improving transparency and strengthening the rule of law.

We need to safeguard the regular economy and ensure our citizens' security.

- The EPP supports targeting and seizing criminal assets from criminal organisations that operate across national borders.
- Law enforcement and judicial cooperation between Member States and with third countries has to be promoted. We need to find common legislative standards and operational tools to effectively combat crime.
- Actions at national and European level have to extend from crime prevention to law enforcement, as preventing organised crime requires a multidisciplinary approach.
- Enterprises should be excluded from participation in any public contract throughout the EU if they have been found to have participated in a criminal organisation, money laundering or any other serious crime.
- The EPP calls for swift implementation of all necessary reforms, including the adoption of lustration legislation, which will ensure consistent enforcement of the rule of law and democratic principles in all post-communist countries where the decomposition of totalitarian residues failed.
- We need extradition agreements with third countries and mutual legal assistance agreements, as they are key to fighting organised crime at a global level.
- Trafficking in human beings is the slavery of our time. It is a serious crime and a tragic violation of human rights. We acknowledge the gender-specific aspect of human trafficking. Figures show that women and girls are the main victims of trafficking. Working towards the elimination of trafficking in human beings cannot be achieved without strong cooperation across the EU and beyond. At EU level, the focus must be on criminal law provisions, the prosecution of offenders, victims' support, victims' rights in criminal proceedings and establishing partnerships, in particular with civil society.

An ethical environment must be cultivated.

### **Better police, judicial and customs cooperation**

Police, judicial and customs cooperation is intended to ensure a greater level of security for EU citizens. The European Arrest Warrant has been one of the most successful tools in the fight against crime and in enhancing judicial cooperation. We must assure Europe's citizens that the effective disruption of criminal networks is brought about by the efficient coordination of investigations. Mutual trust between judicial administrations is a priority. Moving closer to a genuine European area of civil law by improving the regulatory environment and effectiveness of justice systems across the EU has always been a priority for the EPP.

- Particular attention has to be given to the full recognition of evidence, sentences and confiscation orders in all Member States.
- The EPP is in favour of a European Investigation Order as it addresses difficulties in obtaining information and evidence in cross-border cases.
- We need to ensure a high level of support and protection for victims of crime regardless of where in the Union they fall victim to the crime.
- The EPP welcomes the creation of effective instruments and measures to control the flow of EU money whilst respecting the principle of subsidiarity.

### **Strengthening privacy through data protection**

The EPP believes that privacy is a fundamental, inalienable human right. The progress that has been achieved over the last 20 years shows that the digital age has come to affect the economy, security strategies, communications, state responsibilities as well as all branches of everyday life.

- The reform of data protection rules, which was driven by the EPP, serves to reinforce privacy for citizens as well as increase consumer confidence online, which provides a welcome boost to the Digital Single Market.
- This set of rules will achieve greater harmonisation in the single market. However, it is essential that the new rules strike the right balance between protecting personal data and ensuring the free flow of data in the EU digital single market, which is a necessary condition to benefit from the innovation potential of the digital economy.

The new regulation must not impose excessive administrative burdens and costs on businesses, which would have a detrimental impact on innovation.

- Privacy laws must not be designed to infringe upon free speech and freedom of the press.

### **Cyber security - our European society becomes more vulnerable to attacks**

Recent large-scale attacks against governments, information systems, industry, banks and business, as well as individuals, emphasise the need for action to prevent and adequately react to dangerous attacks.

The use of cyberspace for criminal activities or espionage is subject to rapidly evolving technological developments. The resilience of networks and cyber security systems depends on an adequate level of preparedness.

- We need to have equally innovative and flexible responses, ranging from support for cross border cyber investigations and the training of police, to legislative measures.
- Cooperation and the exchange of expertise and information among the Member States and between the public and the private sectors has to be increased.
- We need to strengthen the education of the wider public regarding the challenges on cyber space and the rapid technological changes we face, which again will contribute to increased cyber security.

### **The creation of a common civilian task force**

It is possible to provide for a common civilian task force: it would be more effective in ensuring that humanitarian crises are managed in a coordinated way and would symbolise in the eyes of European citizens, as well as worldwide, Europe's ability to be united and give expression to a common hope: solidarity amongst nations.

## **PEACE AND STABILITY IN A GLOBALISED WORLD**

### **Acting together to promote our values and interests**

Europe has, more than any other continent, shaped the world in which we live. But today, it is one of many players and power centres around a globe on which people, capital and ideas travel faster and more frequently than ever before. In this world, the European Union needs to represent the interests of its citizens, and at the same time strive to achieve the best for humankind. In a time when we are increasingly threatened by global concerns, such as international terrorism, weapons proliferation, failed states, climate change, natural disasters and mass migration, the EU must reaffirm its values in the eyes of the world and do everything in its power to defend and promote them. In today's globalised world, nation states acting alone will not be capable to defend our values and interests.

### **From a single message to common action**

The EU must strengthen and increase the efficiency of the European External Action Service as its most important foreign policy instrument. The European Parliament's scrutiny of the Common Foreign and Defence Policy should be expanded in order to increase democratic accountability. Only with a strong European Foreign and Security Policy will we be able to promote our values and interests in a rapidly changing world. Stronger leadership at the head of the EEAS will contribute to enhancing cooperation between the EU and the Member States, increasing the joint responsibility of the EU foreign policy among the Member States, which will in turn facilitate the creation of a common European message.

### **Strengthening the EU's presence in its immediate neighbourhood**

Our immediate neighbourhood is a source of challenges, new opportunities and potential threats that we will not be able to tackle and overcome without a consistent EU presence in these countries and a clear objective to develop closer relations with them irrespective of whether or not a country is a potential EU member state. The enlargement of the European Union is also one of its success stories because it allowed the EU to spread freedom, democracy, peace, stability and the rule of law throughout our continent. With the last enlargement rounds, the EU has managed to embrace most parts of the continent. In the future, it has to be clear that becoming a member of the European Union requires not only the fulfillment of political and economic criteria but also the capacity of the EU to integrate

must be taken into account. The identity and the capacity of the EU to act have to remain intact.

### **Breathing new life into our relations with the Western Balkan countries**

Barely twenty years ago, the Balkans were a place of suffering war and bloodshed. Therefore, the EU must continue to give a high priority to peace, stability and reconciliation in this region. Progress has been made: Croatia became the 28<sup>th</sup> EU Member State last year; membership negotiations have started with Montenegro and they will soon begin with Serbia, following the landmark EU-facilitated agreement between Belgrade and Pristina.

However, in some countries, Albania, FYROM and Bosnia and Herzegovina, the EU presence must be more effective and its policy more focused on facilitating political dialogue and consensus building, which are often undermined by inter-ethnic tensions and mistrust between communities. These divisions represent a threat to long-term political stability. The prospect of EU accession negotiations provides leverage which may be used to foster political, economic and societal reforms and to restrain nationalist tendencies in the Western Balkans. Regional cooperation and a full commitment to the good relations with neighbours are essential elements of achieving these objectives.

### **Re-launching the Eastern Partnership**

Designed as a measure to support eastern democracies, the EaP (Eastern Partnership) is based on a community of values and principles of freedom, democracy, respect for human rights and fundamental freedoms, and the rule of law. Although the EaP countries have committed themselves to these values, differences are emerging within the group of EaP countries due to them pursuing different objectives and failing to commit fully to closer relations with the EU.

Moreover, these EaP countries are under constant pressure from Russia, which is attempting to undermine seriously the EaP in order to restore its influence over former Soviet countries through the establishment of a Customs Union and Eurasian Union.

The EU must remain committed to supporting fragile eastern democracies:



- The EU has to develop a new set of incentives and strengthen the content of the Eastern Partnership while offering a clear prospect of further integration to these EaP countries willing to commit themselves to the EU, and act accordingly.
- The EU must become more involved in seeking a resolution for the protracted conflicts in the EaP countries (Transnistria, Nagorno-Karabakh, South-Ossetia and Abkhazia), which are the cause of long-term political instability and prevent the implementation of crucial democratic reforms.
- The EaP parliamentary body – the Euronest assembly – must overcome the limitations, which are caused by its structure and the frequency of its meetings as well as by more nationally oriented discussions than ideologically inspired ones. In that sense, the establishment of clear political groups within Euronest and an increased visibility of its meetings will reinforce the feeling of co-ownership from the EaP side and make the commitments adopted more binding.
- The EU needs to develop a much longer term approach to its strategy on eastern relations. That also means placing a stronger emphasis on the development of civil society assisting younger generations through targeted programmes, and introducing a more liberal visa policy.

### **Offering a new vision for the Mediterranean**

Both sides of the Mediterranean share a common destiny. The region offers tremendous opportunities, but also presents many challenges. Therefore it merits special attention.

The EU must have a concrete vision for this region and propose new strategies for Southern Mediterranean countries. This strategy may include launching proposals for the Union for the Mediterranean and determining how to overcome the limits of the bureaucratic, technical and vague approach of the current European Neighbourhood Policy for the South.

The EU was not able to anticipate the Arab uprisings, but must actively support democratic developments in the region. Only the promise of shared prosperity can rally the support of the wider public in the region. The objective of creating a prosperous, democratic and stable neighbourhood must remain the key priority of the EU in all of its interactions with countries in the Southern Mediterranean.

The Middle East Peace Process must also be a priority of the EU's southern policy. The EU must be more active and more visible in the search for a peaceful settlement by contributing to the implementation of a two-state solution for Israel and Palestine.

The recent developments in the Eastern Mediterranean, particularly in Syria and in Egypt, underline the importance of Cyprus as a European pillar of stability in the region. In light of the important oil and gas discoveries in the Eastern Mediterranean, Cyprus also plays a central role in bolstering EU's energy security. These developments underline the need for a comprehensive settlement of the Cyprus question based on UN Security Council resolutions and on the principles on which the European Union is founded. Therefore, Turkey should take all necessary steps, including the withdrawal of troops, to avoid any kind of threat or action against a Member State or source of friction or actions, which could damage good neighbourly relations and the peaceful settlement of disputes: implementing the Ankara Protocol, handing over Famagusta to its lawful inhabitants, respecting the sovereign rights of EU Member States to explore and exploit their natural resources in accordance with international law, including the UN Convention on the Law of the Sea.

### **A leading role for Europe in a fast changing globalized world**

In the context of global competition and international threats, and at a time when America is placing a greater emphasis on other regions of the world, Europe has become more responsible than at any time since the Second World War for its own prosperity and security. Therefore, it must be more active in promoting and protecting the interests of Europeans. The EU will only be able to do this through engaging in strategic partnerships and by developing a new European security strategy.

### **A strong EU-US partnership**

The EU must maintain and develop a strong transatlantic partnership with a free and fair market built on common values. Together, the EU and the US can assume global leadership in developing strategies to address global threats and challenges. A Transatlantic Trade and Investment Partnership (TTIP) should be the first step towards a transatlantic free market, which should evolve to include also Latin American countries in the future.

The TTIP will contribute to increased growth, which will create more jobs and prosperity. It will also act to strengthen the geopolitical standing of the transatlantic community.

However, the negotiations on the TTIP must take into account the importance of safeguarding important elements of the EU's identity and protect high standards.

### **Defending free trade and open markets**

Europe represents 10.6% of the global population and 30.4% of global GDP. Other regions of the world will continue to gain influence and power.

Open markets are a prerequisite for ensuring competitiveness and the development of European companies as global leaders. Free trade and access to global markets are important catalysts for job creation and growth and are decisive factors in enabling European companies to become global leaders. The free trade agenda needs new momentum in the form of bilateral and multilateral free trade agreements, including the completion of the Doha Round. Human and labour rights, as well as environmental standards, must be included in all trade agreements with our partners.

Therefore, the EU's trade policy should be based on balancing open markets with the need for fair competition, fair and equitable trade agreements and sustainable development. Barriers to trade should be eliminated, and standards harmonised. We must resist populist temptations for more protectionism as it would endanger prosperity, both in Europe and around the world. Improved market access for EU companies must be guaranteed in each of the different trade negotiations currently underway.

Latin America stands out as a region which shares many values and interests, history and, increasingly, economic ties with the EU. A number of Latin American countries are strategic partners of the EU, sharing common objectives on issues such as climate change, security, global governance, economic issues, development, education, the fight against poverty and inequality. The EU should continue encouraging and assisting the processes of regional integration and cooperation. Moreover, the EU should enhance its economic and political engagement with Mexico, Chile, Colombia, Peru and Central America and try to give a renewed impetus to a balanced and ambitious association agreement with MERCOSUR so that new growth and jobs can be created on both sides.

China is an important economic partner and one of the greatest emerging powers in the world. The recently launched trade talks aimed at creating an investment agreement with China will create major opportunities for Europeans businesses. Although limited in its

scope, this paves the way for new scenarios in our trade relations with emerging powers. At the same time, the EU has to set high health, social and environmental standards and be extremely vigilant in its relations with China, particularly in relation to human rights.

### **Constructive relations with Russia**

With regard to Russia, the EU's biggest neighbouring country in the east, it is important to develop close relations in order to cooperate on issues of common interest such as stability beyond the EU's eastern border, energy security and international affairs. Likewise, our relations are defined by economic inter-dependence, increasing cross-border traffic and largely shared cultural roots. Therefore, an open and practical dialogue should be conducted with Russia in relation to a range of important issues.

- Respect for human rights and fundamental freedoms should continue to figure prominently on the agenda.
- We want Russia to develop into a modern country, politically and economically. We also wish to support its balanced integration into the European and international economy.
- The depth and width of EU's relations with Russia very much depends on Russia's willingness to fulfil its international obligations to maintain democratic standards and the rule of law, but also on its economic obligations under WTO trade rules.
- We strive for a new partnership agreement between the European Union and Russia, an intensification of the cooperation between the respective civil societies, a survey of visa regulations in the light of the development of EU-Russia relations - especially for business people, scientists and students - and an intensification of the cooperation on matters affecting the Baltic Sea as well as closer cooperation in the field of foreign and security policy.
- With regard to concerns relating to the EU's Eastern Partnership countries, we call for Russia to cooperate with the European Union. Having stable and successful neighbouring countries is in the interest of both the EU and Russia.

### **Promoting human rights and fighting poverty in the developing world**

The EU should reform and improve its development policy in order to increase its effectiveness and accountability. This new policy must be based on the principles of subsidiarity and social market economy. The private sector and civil society should become fully recognised as partners in development alongside governments.

Human rights and the fight against poverty are central factors in development policy. The EU and the Member States should deepen their coordination in planning, monitoring and evaluating development projects. The strengthening of accountability and transparency in government institutions is indispensable to the rule of law and to the creation of prosperity in developing countries. This can be best achieved by empowering civil society and assisting in institution building. Particular attention must be paid to education, since education builds the foundations for sustainable and inclusive growth. Property ownership, SMEs and the private sector in general should be supported. Democracy and human rights are the foundation blocks for development and good governance.

The EU must promote, defend and protect women's and children's rights, especially in conflict or post conflict zones and countries. The EU must fight violence against women and girls and tackle high maternal mortality. The EU needs to transmit its expertise by sharing best practices and by empowering women. Collaboration with NGOs that promote the autonomy of women in the poorest countries needs to be reinforced, for the sake of the development of these countries.

In the years to come, global food security, access to food and stable food prices are a challenge for both developed and less developed countries. Because of the growth of the world population, the demand for food will increase dramatically, whilst rapid urbanisation and climate change will diminish supplies. These imbalances will pose a threat of renewed famine, but they will also offer an opportunity for increased employment and income in the rural areas of the world. Therefore development policies should promote rural development and agricultural production. At the same time the Common Agricultural Policies of the EU should also be reformed in the light of possible new scarcities without resorting to protectionism or dumping.

Poverty is not only a matter of income, but also, more fundamentally, a matter of being able to live a life in dignity and enjoy basic human rights and freedoms. The EU Member States and the EU should stick to their promises as laid down in the Millennium Declaration and spend at least 0.7% of GDP on development aid in order to fight global poverty. The EU should also contribute to an ambitious follow-up of the current Millennium Development Goals programme.

### **A more effective European defence policy**

We need a fresh start for a European defence policy that is deserving of the name. Europe is faced with old threats and new risks in a quickly changing strategic environment. Our American allies are clearly telling us that we must assume the responsibility to take care of our own security in the EU's neighbourhood. And Member States are continuing to make uncoordinated cuts in defence spending while hesitating to use the potential of the Lisbon Treaty to make serious progress in establishing a common defence strategy.

- In the next five years, the EU must undertake much more serious efforts to pool and share its Member States' defence capabilities.
- In the short term, it should carry out a review of national capabilities and urgently develop better ways to link civilian and military structures and personnel.
- In the medium term, the EU needs to set up a strategic military and civilian headquarters. It should launch a White Book on Security and Defence which defines our interests and sets out security priorities and objectives. This will help to provide more and better fitted civilian and military personnel in the service of missions under the Common Security and Defence Policy.
- In the long term, there should be regular formal Council meetings on European defence, a solid European industrial basis for defence and technology, and standby forces under EU command.

All this will help to make the EU a regional security provider and at the same time a strong European pillar of the North Atlantic Alliance.

The participation of the EU in international crisis prevention, the support of democracy worldwide, the fight against terrorism and working to resolve international conflicts must be central elements of a future European Foreign Policy. Common Security and Defence Policy

should be based on convincing diplomacy, a sound economic base and adequate armed forces. This entails the creation of new tools, such as the establishment of a permanent operational civilian and military headquarters for better coordination, planning and conduct of operations, as well as better equipment procurement through the European Defence Agency. It also requires that the EU at once expresses the political will to take advantage of the full range of existing structures, notably the Battle Groups.

The only way to achieve this is by developing European military capabilities through cost-effective solutions by pooling and sharing resources. In other words, a more competitive and efficient EU defence and security sector is needed.

The EU Member States, which are willing to cooperate closely, must make full use of the Lisbon Treaty provision in creating the Permanent Structured Cooperation, in which not all Member States have to participate. Moreover, the defence market must be integrated into the Single Market.