



Draft EPP Election Document 2009

(to be submitted to the EPP Congress, Warsaw, 29–30 April 2009)

Topics:

Introduction

- 1. Creating Prosperity for Everyone**
- 2. Making Europe a Safer Place**
- 3. Combating Climate Change**
- 4. Tackling the Demographic Challenge**
- 5. Uniting Europe on the World Stage**

1 Introduction

2
3 In June 2009, citizens of the European Union will vote for the European Parliament – at a crucial moment
4 for Europe. European integration is the greatest achievement in the history of our continent. It has
5 brought not only peace, freedom and stability to our continent, but also an era of understanding,
6 cooperation and unprecedented prosperity. In the past, the need for peace brought the peoples of Europe
7 together. Today, a number of problems require both close cooperation on European level and a strong
8 Europe in the world: the current crisis in the financial markets and a severe worldwide recession, the fight
9 against climate change, our ageing societies as well as terrorism and organised crime. Only a strong
10 Europe will be able to defend and protect our interests in the world. Only a strong Europe will be able to
11 create a more stable global financial system and tackle the other global problems which also deeply affect
12 European citizens.

13
14 Today we must seize the opportunity to shape the world economy in a more sustainable way, based on
15 our concept of a Social Market Economy, the success of which was shown during the post-war
16 reconstruction period and the trials and tribulations of the re-unification of Europe after the downfall of
17 the former Soviet empire. Whereas the Socialists in Europe see this crisis as an opportunity to push for a
18 backward leftist agenda which will destroy jobs and Europe's position in the world, we are convinced that
19 our vision of a Social Market Economy is the best response to this crisis. Our positions are distinctly
20 different from the ideological leftist approach of the Socialists, but they also differ fundamentally from the
21 position of market fundamentalists who believe that markets alone should rule the world. The loss of
22 rules and ethical standards is a major cause for the problems our societies are now suffering from. We
23 need better, more sensible regulation and supervision of the international financial and economic system.
24 We strongly promote and support clear rules for the markets to function and prosper for the benefit of
25 everyone – society, the entrepreneur and the employee. This is what distinguishes a real People's party
26 pursuing the common good from political competitors.

27
28 Our political family, the European People's Party, has influenced the historical development of Europe like
29 no other political force. Throughout its history, the EPP has been the one political family with a clear vision
30 for Europe. We are convinced that many of today's problems can no longer be solved on national level
31 alone. As the heirs of the founding fathers of European integration, Jean Monnet, Robert Schuman,
32 Konrad Adenauer and Alcide de Gasperi, we are conscious of our rich heritage and committed to shaping
33 the Europe of the future. In this respect it is of crucial importance to increase public awareness about the
34 crimes committed by National Socialist regimes and totalitarian Communist regimes and to condemn
35 these crimes without any ambiguity.

36
37 Out of bitter experience with the socialist experiment, responsible for several decades of paternalism, the
38 oppression of free will and the systematic neglect of human dignity, we do not believe that the state
39 should be responsible for every decision in people's lives. We are also convinced that the European Union
40 should not deal with issues that can be better and more efficiently dealt with on a national, regional or
41 local level. The EPP advocates a European Union that sets clear priorities – but stays out of issues that
42 should be handled on a lower level, closer to the citizens themselves. To this end, the EPP strongly
43 promotes the application of the subsidiarity principle and the bottom-up approach for organising a
44 European Union supported by all citizens.

45
46 The EPP has for a number of years advocated a new treaty for the European Union because Europe needs
47 to be more transparent, more efficient, more democratic and more capable of acting in order to cope with
48 the enormous challenges ahead. We will continue our work of informing citizens of the benefits of the
49 Lisbon Treaty and the Charter of Fundamental Rights, which will strengthen not only the democratic
50 legitimation but also the judicial foundation of a Union of values. The consolidation of the EU must now be
51 our first priority. In further enlargement rounds, the EU's ability to act efficiently must be ensured.
52 Accession negotiations with Croatia will be pushed forward and concluded as swiftly as possible. The other
53 Western Balkan states also have an accession perspective. We must be prudent about potential future

54 enlargements; the EU's ability to act efficiently must first be ensured, and a new treaty is very important
55 for this. European countries which cannot or do not want to become members of the European Union
56 should be offered a close partnership with the EU.

57
58 **Our values**

59
60 Our idea of Europe is the consequence of our attachment to the values of an open society and of the
61 European common cultural heritage; it has always been based on values and common traditions which are
62 deeply rooted in our civilisation. Our universal spirit, Europe's Judeo-Christian roots and common cultural
63 heritage, the classical and humanist history of Europe, the achievements of the period of the
64 Enlightenment and the active role played by the churches in Europe to promote tolerance and mutual
65 respect, these are the foundation of our political platform.

66
67 We have become used to living in a common geographic and political space of peace, freedom, democracy
68 and prosperity, a space with enormously rich and inspiring cultural diversity. Our thought and political
69 action are based on fundamental, interdependent and equally important universal values: freedom and
70 responsibility, fundamental equality, justice and solidarity. For us, genuine freedom means autonomy and
71 responsibility, it means neither collectivism nor irresponsible and selfish individualism. For us, the dignity
72 of the human being is central; we regard the human being as the subject, not the object, of history. This
73 brings us to respect human life in all its forms and at all stages, to respect human dignity in medical and
74 genetic advancements.

75
76 The promotion of equality between men and women in all decision-making processes and in the labour
77 market is a priority area.

78
79 In our view, persons are not merely individuals but human beings belonging to families. The family,
80 especially today when we are witnessing profound changes in society, deserves the special and concrete
81 support of society. What is good for the family is good also for society. Human beings belong also to
82 communities, regions and countries, enjoying both full rights and duties – also on the EU level. Justice,
83 fundamental equality for all and the dignity of every individual are inseparable. Solidarity means
84 awareness of the interdependence of individuals and their communities. But it means above all protecting
85 the weakest in our society and around the world. It implies global responsibility.

86
87 In the framework of responsibility, the EPP also advocates a more sustainable way to deal with the planet
88 we all share as our home. The responsible management of the biosphere and the forms of life which make
89 up humanity's common heritage is essential in order to keep our planet viable for future generations. The
90 urgent problem of global warming underlines the need for humanity to decisively deal with this problem
91 as quickly as possible on a global level. The EPP is convinced that the European Union will and must play
92 an important role and show to other parts of the world that it is possible to modernise economically,
93 create new jobs and preserve the environment at the same time. The current crisis is a reminder that
94 sustainable development should be at the very core of all our decisions.

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96

97 **1. Creating Prosperity for Everyone**

98

99 **Solidarity as the foundation of our society**

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101 For the European People’s Party, the economy is not an end in itself. It is at the service of a concept of
102 society based on the individual, on freedom, solidarity and social cohesion. This is reflected in our notion
103 of a Social Market Economy. For us, the European project has always had a social dimension. The goals of
104 great European achievements like the Single Market and our common single currency, the euro, were
105 always the added value they would deliver to citizens by stimulating economic development and creating
106 more employment in an increasingly globalising world.

107

108 The achievement of the goals of the economic and political integration of Europe concerns all European
109 citizens. Through its agenda, the EPP is sending a message of hope, prosperity and solidarity and calls
110 upon all European citizens to work together for our common European future.

111

112 A time of economic difficulties cannot be overcome without international cooperation. The European
113 economy and the internal market will only be able to face the current crisis through the coordination of
114 strategies. This is important in order to secure future growth, but also the stability of the euro.

115

116 In the future, employees will work in more flexible ways both with respect to their daily or weekly working
117 time as well as throughout their working life: periods of working will be succeeded by periods of training,
118 periods of leisure, periods for family work and periods of social work. It will be important to include
119 sufficient childcare facilities and possibilities for parents to have children and a career at the same time.
120 Our primary goal is to strike a balance between flexibility and security; therefore social security systems
121 should be modernised in order to adapt to the new challenges without giving up their most important
122 aims: solidarity and viability.

123

124 We consider economic dynamism in Europe not only as compatible with social responsibility, but in fact as
125 a precondition for it. There will be no social cohesion and political stability without sustainable economic
126 development. Due to our value-based idea of the person, we believe no one should be held back and no
127 one should be left behind. We need to develop and nurture talent, to invest in education, lifelong learning
128 and employment, in order to create opportunities for all, for men and women, youth, newcomers, seniors
129 and partially disabled persons. Everybody is entitled to income, work and an old-age pension. This
130 becomes increasingly a challenge as rising prices for food and energy particularly affect people with lower
131 incomes as well as the unemployed. It is essential to further promote a knowledge-based society which is
132 able to create new employment opportunities in a sustainable way, including by fostering
133 entrepreneurship. The social security systems should on the one hand help those in need by applying the
134 principle of solidarity and on the other hand have an element that encourages the unemployed to
135 (re)enter the labour market. We appeal to the accountability of both sides: the employers to be aware of
136 their social responsibility and the employees to be sensitive to the necessity and opportunity for flexibility,
137 qualifications and lifelong learning.

138

139 **A value-driven economy**

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141 The EPP stresses the importance of values, not only in our societies in general but also in the economic
142 sector. As a part of our society, the economy needs to follow the very same values on which our societies
143 are built – freedom and responsibility are for us two sides of the same coin.

144

145 **A competitive and sustainable economy that promotes green investments**

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147 The emerging global society offers opportunities and challenges at the same time. For the European
148 People’s Party, the European Union is the right answer to tackle the challenges of globalisation and to
149 profit from the opportunities.

150
151 Economic growth is crucial to keep existing jobs and to create new ones. A major challenge for the
152 European Union in the years ahead will be the transformation of our economies into knowledge-based
153 and low-carbon economies. The world is going through radical changes in the framework of globalisation
154 and climate change. At the same time, our economies are facing the challenges of volatile currencies, food
155 prices and energy costs. We consider these challenges also as an opportunity to transform our economies
156 into sustainable and energy-efficient economies and to make Europe a world leader in this area. Especially
157 the current recession should be used as an opportunity to promote green investments. This will enhance
158 the performance of the European economies and create new jobs through boosting employment,
159 entrepreneurship and investment in renewable resources. To face the recession we need to strengthen
160 the economy. The end of the economic crisis should see a healthier and restructured not a downsized and
161 weaker economic structure brought on by the wrong economic decisions.

162
163 The European Union has the necessary preconditions to be an important economic player on global level.
164 With 27 Member States and almost 500 million citizens, it is currently the largest market. The economic
165 dynamism created by enlargement has benefited all Member States and a functioning Single Market will
166 undoubtedly continue to be a driver of European economic development. Europe relies on trade and
167 export and therefore has an interest in an open economy. The opportunities for growth, investments and
168 labour are great. The euro will bind our economies closer to each other and therefore encourage
169 competition, entrepreneurship and innovation – three important preconditions for more growth and jobs.

170
171 For the European People’s Party, the creation of new jobs is a core priority. Only if we manage to reach a
172 high level of employment will we be able to safeguard prosperity for everyone and assure the future of
173 our social security systems in the context of demographic change. Therefore, we consider work for
174 everybody as the central goal of our economic and social policy, as well as the most effective shield
175 against poverty and social exclusion. Moreover, we consider it our duty to care for good working
176 conditions and for reliable social security systems. The best way is to create more jobs and thus ensure
177 social and territorial cohesion; the European Union, the Member States and local and regional authorities
178 should work hand in hand to take all necessary actions.

179
180 New and sustainable jobs can only be created by a dynamic economy that encourages green investments.
181 Therefore, broad and sustainable economic growth is an important precondition to create more
182 employment. The EPP considers the level of unemployment in some parts of Europe, especially among
183 women and youth, to be unacceptable. This creates negative effects on social cohesion and is financially
184 unsustainable. Skill shortages, especially in the lower segment of the workforce, contribute to this
185 problem as well as the high level of taxation. We need more active systems in order to increase the
186 employability of the unemployed. In the first place, this requires investment in human capital in order to
187 establish a well-trained and highly motivated work force.

188
189 It also requires a stronger sense of entrepreneurship in all sectors of society. In order to promote
190 employment, the EPP wants to focus on establishing direct and concrete measures which will encourage
191 the creation of new businesses, supporting especially entrepreneurship among youth and women. Those
192 measures should include easing the administrative burden on start-ups, simplifying the regulatory
193 environment, reducing the general level of taxation, improving access for new enterprises to sources of
194 finance, particularly risk capital, and promoting a more entrepreneurial culture. The European approach to
195 employment policies should further enhance the cooperation between the Member States; the European-
196 scale benchmarking of statistical data should lead to better comparability and less bureaucracy. Besides
197 central administrations, local and regional public authorities are responsible for one-third of public
198 expenditure and more than two-thirds of public investment in the EU; therefore they represent a reliable
199 and active actor able to propose efficient solutions to the crisis and to promote growth and jobs.

200
201 In keeping with the Charter of Fundamental Rights and the Treaty, we stress the importance of workers’
202 rights and of the role played by all the different trade unions operating in Europe. The EPP is proud of its

203 roots as a true People's party and its excellent relations with trade unions on the national and the
204 European Level.

205
206 In order to improve the performance of the European economies, the EPP puts forward the following
207 priorities:

208 209 **Completing the Single Market and expanding the Eurozone**

210
211 With the Single Market and the Economic and Monetary Union, the EU has taken enormous steps forward
212 in creating a common market for almost 500 million citizens. Numerous obstacles, however, still remain to
213 be overcome. Especially in the service sector, in energy and transport, a true single market is still far from
214 being achieved. This has negative consequences for our economies. The removal of the remaining
215 obstacles to the Single Market – while respecting the national competences on social security and every
216 Member State's right to keep its own labour market model – is a key priority in order to promote growth
217 and to create more and better jobs. The same is true for adopting the euro in more Member States. The
218 EPP proposes to launch a Citizens' Single Market Manifesto, pinpointing the top ten frustrations
219 experienced by citizens. This should become a call to action by the Commission and the Member States.
220 We also support new initiatives to provide a consistently safe and secure environment for consumers to
221 access all EU markets.

222 223 **Realising infrastructure**

224
225 The economic recovery also requires large-scale infrastructure projects. In particular TEN (Trans-European
226 Networks) are essential for the proper functioning of the internal market. Besides allowing for the
227 creation of employment, it would stimulate the European economy as a whole, notably through tourism.
228 Furthermore, higher infrastructure investments in the third countries would increase European economic
229 influence in our globalised world, while contributing to development in those countries. Therefore, the
230 EPP calls for the completion of the Single Market in the energy and transport sectors, with rapid
231 expansion of trans-European transport networks (TEN-T).

232 233 **Better coordination of economic policies**

234
235 A return to growth in Europe should be stimulated through better coordination of the Member States'
236 economic policies, particularly with regard to implementing National Reform Programmes (NRPs). Better
237 coordination of economic and budgetary policies will encourage a revival of European economic activity
238 and job creation.

239 240 **Giving priority to research and innovation**

241
242 Europe still lags behind when it comes to research and innovation. Its main weakness lies in the
243 fragmentation and scattering of its efforts as well as in the difficulty of moving from the stage of research
244 to that of innovation. In fact, there is still a gap between the creation of knowledge (research) and its
245 implementation (products and services) as Europe is visibly weaker in the second stage. Cooperation
246 among research programmes as well as researchers within Europe and globally has to be improved and
247 the overall spending on research and development (R&D) has to be increased to 3% of GDP by 2010 and
248 4% by 2015. The achievement of a Community patent, which has been debated for the last 30 years,
249 would be a major incentive to private investments in R&D. We need to recognise the role of intellectual
250 property in fostering innovation and prosperity.

251 252 **Reducing bureaucracy**

253
254 Excessive administrative requirements discourage the creation of new companies and hinder existing ones
255 from concentrating on their activity. The EPP supports the idea of providing business with an environment

256 that facilitates economic activity and enables it to face competition in the global economy. Therefore,
257 bureaucracy should be minimised and the impact of legislation in terms of costs to companies and
258 employment should be systematically assessed. The EPP welcomes the goal put forward by the European
259 Commission of reducing the regulatory burden on European businesses by 25% by 2012.

260 261 **Promoting small and medium-sized enterprises (SMEs)**

262
263 Two-thirds of private-sector jobs in Europe are provided by small and medium-sized enterprises, while
264 SMEs create the majority of new jobs. Their flexibility and dynamism make them a key factor in the health
265 of a country's economy. Europe lacks pioneering entrepreneurs and the EPP will do everything it can to re-
266 ignite this spirit of entrepreneurship in order to create a more dynamic economy. In that respect,
267 entrepreneurship among youth and women should be especially supported. Special attention has to be
268 paid to the needs of start-up companies which should be relieved of excessive bureaucracy. In the context
269 of the economic downturn, SMEs are particularly vulnerable to the credit crunch due to their heavy
270 dependence on bank credit and limited access to financial markets. It is the SMEs which need support
271 measures in order to continue to be the main driving force for growth, job creation and innovation.
272 Therefore they should be targeted by the EU and national financial stimulus packages.

273
274 Furthermore, SMEs should be encouraged and supported to turn to green investments as a viable solution
275 to the current financial and economic crisis.

276 277 **Reaching a budgetary balance**

278
279 We should not live today at the expense of future generations. Therefore the EPP remains firmly
280 committed to the Stability and Growth Pact to reach budgetary balance and to start paying back public
281 debts. We consider macroeconomic stability as a key condition for achieving the goals of economic growth
282 and job creation.

283 284 **Tackling the economic depression and making financial markets transparent and accountable**

285
286 Following the recent meltdown of the international financial system, we are witnessing the worst financial
287 and banking crisis since the Great Depression. Coordinated policy actions were taken in Europe and the
288 United States to prevent this crisis from spreading, but the effects on the real economy are already being
289 felt in many countries. As unemployment grows in the United States, recession becomes a bleak reality in
290 Europe, emerging economies start to falter and the credit crunch is taking its toll on many of our
291 businesses, especially SMEs. Exceptional, coordinated and swift actions must be undertaken by all
292 policymakers alike to avoid further deterioration of the situation. In order to limit the impact of the
293 current developments on the real economy, the main goals are to rapidly restore confidence in the
294 banking system which has to deliver its commitment to provide firms and households with credit, enact
295 policies which can curb public sector growth and urge for a serious reform of the international financial
296 sector through consolidating European and global supervision and efficient regulation.

297
298 This crisis will affect our citizens all over Europe, and we will be judged by our political capacity to
299 effectively respond in a coordinated manner to the challenges which lie ahead of us. We cannot allow the
300 financial sector to walk off with the profits and leave the public to bear the losses. Lessons about the
301 functioning of markets, in particular financial markets, have to be learned, and the role of regulation in a
302 modern, globalised economy of the 21st century must be completely redefined.

303
304 In addition, we need to better assess the question of big financial institutions which are deemed 'too big
305 to fail' due to their size and the prospective effects of their failure on the whole economy. EU and national
306 competition rules should be further tightened in order to avoid the recurrence of this phenomenon, and
307 thus also eliminate the potential risk of their relying extensively on taxpayers' money to rescue them in
308 case of financial troubles. Therefore, a careful balance should be sought between the necessary rescuing

309 of troubled banks and financial institutions if their failure can undermine the efficient functioning (and
310 recovery) of our market system. The risk of their potential ‘free riding’ on future government protection,
311 that is, the resurgence of the ‘moral hazard’ problem for big companies, must be avoided at all costs.

312
313 Furthermore, the risk potential of newly introduced financial instruments has to be assessed and the
314 regulators should not allow instruments and practices which they don’t understand. Greater attention is
315 also needed in the handling of retirement funds by financial institutions. Unambiguous rules must be put
316 in place which allow for stronger safeguards, clearer information and increased transparency in the
317 management of such funds by banking institutions in order to set better standards for consumers. This is
318 of utmost importance, both for the future well-being of our citizens, and for our ability to demonstrate
319 that we are truthful about building a more socially responsible and secure financial system.

320
321 Against this backdrop, the EPP supports regulatory actions that promote more transparency,
322 accountability and surveillance both at EU and international level. We should focus on enacting ‘better
323 regulation’ for the financial sector, not ‘any regulation’. Furthermore, and although emergency measures
324 are imbedded into the revised Stability and Growth Pact and are indeed necessary at this time, we should
325 be careful not to bend the rules of healthy public debt management more than absolutely necessary for
326 emergency action. Temporary salvage measures should be put in place, while structural reforms should
327 not be forgotten where needed in order to avert a global slump and the risk of an EU credit downgrade.
328 Finally, we should prevent the resurgence of potentially explosive protectionist measures both in Europe
329 and in the United States, as they would undermine growth in the long run and suffocate efforts for more
330 innovation and investments in R&D. In conclusion, the EPP also endorses the following recommendations
331 in order to reach a better-functioning regulatory and policy regime in the financial sector in the future:

- 332
333 1. Improve financial sector surveillance and the overall transparency of financial institutions.
334 2. Develop mechanisms for the creation of a European-wide and rule-based regulatory system in the
335 financial sector.
336 3. Close the existing accounting gap.
337 4. Strike the right balance between a sufficient regulatory and supervisory response and the stability of
338 the financial system. The introduction of new financial products should be assessed according to their
339 effect and in order not to harm financial stability. The financial system should be stabilised by
340 creating the necessary regulation and supervision of financial markets in Europe and worldwide. The
341 financial system needs to be at the service of our economies and must take into consideration
342 especially the needs of start-up companies and SMEs who create most of the jobs in Europe.
343 5. Improve knowledge, dialogue and international cooperation between national supervisory
344 authorities and financial institutions to avoid a lack of comparability and consistency in the evaluation
345 of more and more complex financial instruments.
346 6. Strengthen international cooperation. If we are going to address this worldwide crisis and prevent a
347 recurrence, we must reform and reconfigure the global financial system. European regulations alone
348 are not sufficient for global financial markets. That is why there is a clear demand to strengthen
349 international cooperation in the framework of an enlarged G-20 and other international institutions.
350 7. Enhance the risk management practices and the transparency of both financial institutions and rating
351 agencies.
352 8. Revise managers’ pay and reform the incentive structure in the management payroll system. In the
353 future, personal liability for management decisions has to be increased according to the rules of good
354 conduct.

355
356 The EU must also make an effort to see that the European economic, social and ecological values that are
357 aimed at sustainable economic growth are also perceived as an attractive model by the rising new
358 economies. In this sense the EU’s role as a global partner should be further encouraged and sustained.

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360
361

362 **Building a knowledge-based society**

363

364 Although some progress has been made over the last years, the goal of the Lisbon strategy, which seeks to
365 make the European Union the world's most competitive knowledge economy, is far from being reached.
366 The EPP considers the goals of this strategy as an utmost priority so that Europe can be an important
367 economic player on world level and provide its citizens with the jobs they require to lead a decent life.

368

369 The quality and effectiveness of education and training systems, the EU-wide recognition of qualifications
370 and a highly skilled and motivated workforce are essential in order to improve employability within the
371 European Union. Education and training opportunities have to correspond to the needs of the labour
372 market in order to ensure that all citizens are able to participate in economic progress.

373

374 For citizens to better prepare for and adapt to the needs of an economy based on high technology, we
375 must obtain more from our education and training systems. This will allow citizens to play a full part in the
376 knowledge society. Especially the idea of lifelong learning must be internalised in all parts of society.
377 Moreover, education and training opportunities should correspond to the needs of the labour market.
378 Language training and experiences abroad broaden the horizon and increase mobility. In order to
379 strengthen freedom of movement, the EPP wants to remove administrative obstacles. More cross-border
380 cooperation in health care should lead to more benefits for patients and increase (economic) efficiency.
381 The EU Commission should therefore strengthen its efforts in this regard. In general, we need more
382 freedom for (economic and social) cooperation in border regions. Also, more effort is needed to reduce
383 the digital divide still excluding mainly elderly people and low-income groups from the use of modern
384 communication technologies.

385

386 **Reducing taxes and contributions**

387

388 The generally high level of taxation and social contributions in many Member States is a handicap for the
389 creation of wealth as it discourages private initiatives, stifles innovative instruments and dampens the
390 engagement of new labour forces. Therefore, we invite the Member States to adopt the following
391 recommendations regarding fiscal policy in Europe:

392

- 393 1. To *alleviate the general tax burden in Europe* – which is still among the highest in the world – in order
394 to provide more incentives to work, save and invest in Europe, as recommended by the Lisbon
395 Agenda.
- 396 2. To *further simplify the tax systems in Europe* in order to make them more transparent and
397 understandable to taxpayers and to avoid the 'two-tier' market formed by those who can afford tax
398 advice and those who cannot.
- 399 3. In order not to discriminate between capital and labour, *tax cuts* should not only be granted to the
400 production side, but in the same way *should also be extended to personal income levels*.
- 401 4. As global economic competition increases, tax systems must be reformed to make countries more
402 attractive to capital and talent. This can be achieved by lowering the general tax burden, and by
403 *introducing lower rates and fewer exemptions*. This will also lead to a convergence of tax systems.
- 404 5. In order to avoid irrational distortions of trade and incentives to fraud, and improve the global impact
405 of fiscal measures by encouraging cross-border activities, the EPP promotes further discussions
406 concerning reasonable coordination relative to indirect taxation in Europe. This debate must be held
407 within the framework of the EU treaty provisions, as well as with respect for the Member States'
408 national sovereignty.

409

410 In view of enhanced competition in Europe and globally, the EPP welcomes those reforms of the tax
411 system which lead, through rate reductions and fewer exemptions, to a convergence of tax bases. For this
412 purpose, we think it is necessary to support a convergence of accounting principles in Europe. This can
413 bring benefits to the companies concerned and lead to a reduction in administrative costs.

414

415 In order to better coordinate its efforts to halt tax evasion and to avoid other illicit financial activities, we
416 recommend that the European Union adopt stricter regulations concerning tax havens and other off-shore
417 havens, which are too often located in non-cooperative jurisdictions. This would ensure greater
418 transparency in fiscal flows and boost the fight against corruption in Europe.

419

420

421 **The European People's Party proposes:**

422

423 **1. *Avert a global economic slump.*** European governments need to continue to better coordinate fiscal
424 and monetary policies in order to avoid passing from the current economic recession to an
425 economic depression in the future.

426 **1a.** Although urgent measures are necessary in these times of crisis, we should be careful not to
427 bend the rules of *healthy public debt management* more than absolutely necessary for special
428 action. We should not live today at the expense of future generations. The Stability and Growth
429 Pact remains the main framework for ensuring financial discipline.

430 **2. *Prevent a resurgence of protectionism.*** The EPP's sound economic competences, strong political will
431 and swift policy measures undertaken up to now demonstrate that we are on the right track in
432 order to avoid the mistakes of the 1930s, that is, the adoption of protectionist measures which
433 isolated countries from each other, thereby worsening their economic situation.

434 **2a. *Prevent also protectionism within the EU.*** The uninterrupted functioning of the Single
435 Market is of vital importance. Against a worsening economic outlook, Europe must stick to a
436 common approach based on its values and rules rather than revert to economic nationalism.
437 Europe's internal market must be the cornerstone of the economic recovery. While small
438 businesses are increasingly concerned by the new wave of protectionism, competition in the
439 internal market must remain a cornerstone of Europe's economy. Therefore, Europe must
440 manage the crisis and learn from it. European governments have to resist the temptation to use
441 the economic downturn as a pretext and use taxpayers' money to bail out uncompetitive
442 industries.

443 **3. *Rebuild the international financial architecture.*** European regulations alone are not sufficient for
444 global financial markets. That is why there is a clear demand to strengthen international
445 cooperation in the framework of an enlarged G-20 and other international institutions, taking also
446 the increased role of the emerging economies into account.

447 **3a. *Financial sector surveillance and the transparency and accountability*** of financial institutions
448 need to be improved. Especially the risk potential of newly introduced financial instruments has
449 to be assessed and the regulators should not allow instruments and practices which they don't
450 understand.

451 **3b.** Concrete political and economic actions need to be undertaken in order to *re-energise the*
452 *ailing European banking sector.* Banks must swiftly return to their original functions, that is,
453 channelling credit to the real economy in order to finance companies and businesses, following
454 a careful assessment of the risk involved.

455 **3c.** A *European-wide and rule-based regulatory system in the financial sector* needs to be
456 introduced as a consequence of the current crisis in the financial markets.

457 **4. *The creation of jobs*** is our core priority. Only if we manage to reach a high level of employment will
458 we be able to safeguard prosperity for everyone and ensure the future of our social security
459 systems. We consider it our duty to care for good working conditions and for reliable social security
460 systems. Finally, we need more active systems in order to *increase the employability of the*
461 *unemployed.*

462 **5. *The coordination of research programmes*** has to be improved and overall spending on research and
463 development has to be increased to 3% of GDP by 2010 and 4% by 2015 in order to improve
464 Europe's position when it comes to research and innovation.

465 **6. *Bureaucracy should be minimised*** and the impact of legislation in terms of cost to companies and
466 employment should be systematically assessed.

- 467 7. The current economic recession also represents a golden opportunity to further *increase our*
468 *investments in green technologies*. This will help us to boost our economic growth and employment
469 chances, and to credibly position Europe as a world leader in this sector.
- 470 8. The *Cohesion Policy* and especially its territorial dimension can contribute to the boosting of
471 economic activity and the reduction of unemployment. Cohesion policy must be seen as
472 complementary to competitiveness and as an important tool to promote the goals of the Lisbon
473 Strategy for growth and jobs.
- 474 9. The *revision of the EU budgetary perspectives* for the post-2013 period should accurately reflect the
475 above-mentioned EPP priorities.
- 476 10. *EU transport policy* needs to integrate an efficient Trans-European transport network (TEN-T) and to
477 provide high-quality modern transport services, under the following four principles: safety, swift
478 service, low cost and respect for the environment.
- 479

480 **2. Making Europe a Safer Place**

481

482 The field of justice, liberty and security has evolved into an important and dynamic policy area of the EU
483 during last decades. Security in Europe presents serious challenges in various areas, which are not
484 necessarily related to each other. Moreover, the security environment today – in particular internal
485 security – cannot be assessed without reference to today’s global security and conflict situation. No single
486 country is able to tackle today’s complex problems on its own, global efforts and global cooperation are
487 needed. There are no easy and reliable answers to the questions of how to protect our basic values, to
488 overcome the threat of terrorism and organised crime, to address illegal immigration and to provide food
489 safety and security for European citizens. Therefore the European People’s Party developed a policy to
490 protect European citizens and to make Europe a safer place to live.

491

492 **Fighting terrorism**

493

494 Terrorism is a threat that endangers European values, security, democracy and freedom. The most recent
495 wave of terrorism is global in its scope and is often linked to violent religious extremism. It is important to
496 differentiate ‘religious extremism’ from Islam or any other religion. It is terrorism linked to or as an
497 expression of religious extremism, not Islam, that objects to our open society. Terrorism as such is the
498 main adversary and the greatest barrier to the Muslim world’s achieving personal development, freedom,
499 prosperity and democracy. We will strongly oppose all political activities that, under false pretences of
500 defending the Islamic faith, are based on threats and violence. The European Union must address the
501 methods of infiltration used by terrorist groups, especially within underprivileged populations, from which
502 they tend to recruit new members.

503

504 The European Union must underline that attacks carried out against human beings, though carried out in
505 the name of religion, are actions that contradict religion and that are ruled by hatred and inspired by a
506 totalitarian political view of our societies. The EU and the Member States must show zero tolerance when
507 dealing with violent attacks and threats, notwithstanding the protection and spurious justifications
508 offered by some religious beliefs and movements. A stronger focus must be put on initiatives such as
509 inter-religious and cultural dialogue.

510

511 It is important to work more rapidly to resolve the problems affecting the transposition of European arrest
512 warrant and surrender procedures into national law and abolish methods which have prevented these
513 tools from being fully and coherently enforced. This would constitute an essential step towards wider-
514 ranging judicial cooperation and serve to strengthen mutual trust among Member States. The EPP
515 supports the adoption of a framework decision that harmonises the conditions for entry to, stay in, and
516 expulsion from EU territory of all those who incite terrorist acts.

517

518 The European Union should promote universal values and human rights in the Muslim world. In this
519 respect, the EU’s policy towards the Muslim countries that protect democratic standards or are
520 encouraging a democratic process for their societies is extremely important.

521

522 Anti-terrorist measures are the competence of the Member States. But the EPP is convinced that a
523 successful fight against terrorist movements and effective protection for our citizens can only be achieved
524 if we coordinate our policies and agree on the principles. Moreover, the European Union has a clear
525 political role to play in the fight against terrorism. We must achieve the development of a European
526 security system, in which the competences of the EU institutions and the national institutions are
527 precisely defined so as to be understood by the citizens of Europe.

528

529

530

531

532 **Combating and preventing organised crime**

533

534 Organised crime activity in Europe has remained a problem in the last decades despite considerably
535 increased budgets dedicated to the control and prevention of organised crime. Moreover, in the light of
536 globalisation and advanced technologies, new forms of criminal activities have appeared. Therefore the
537 EPP believes that a global approach has to be implemented in order to tackle the global challenge of
538 organised crime.

539

540 The EU has to intensify its cooperation with third countries through EUROPOL, in particular, to prevent
541 trans-border crime and to build security in our neighbourhood. Moreover, closer cooperation between
542 the law enforcement services of the Member States would better protect an area of freedom, security
543 and justice. Additionally, better coordination should be achieved in order to reduce all forms of corruption
544 at every level in all EU countries. EUROPOL's operational competences must be strengthened.

545

546 **Safeguarding citizens' liberties**

547

548 Our work is focused on creating freedom, security and justice. However deficits regarding the
549 enforcement of laws and the protection of fundamental freedoms still exist, which have to be improved in
550 some Member States. Our children face intolerable challenges and even danger in the form of Internet
551 crime and media-transmitted violence. The fight against this needs firm, coordinated action by national,
552 European and international authorities.

553

554 The fight against terrorism must strike a delicate balance between ensuring our citizens' security, while at
555 the same time safeguarding their human rights. In order to safeguard their right to privacy, instances of
556 sensitive data being 'mislaidd' by government agencies and business companies, or open to unauthorised
557 use, demands urgent review of how information on citizens is stored, who has access to it and for what
558 purpose.

559

560 We want to strengthen the state monopoly on the use of force and we support strict control and
561 restrictions on the activities of private security companies.

562

563 **Taking the long-term view – prevention is better than cure**

564

565 We need to recognise the contribution made to our society by the vast majority of Muslim communities in
566 Europe. Only by working with them closely can we tackle jihadist terrorism whose origins are now just as
567 likely to be found in Europe as in the greater Middle East. We should not be blind to cases of the social
568 exclusion of youth belonging to the Muslim communities in our countries, making them vulnerable targets
569 for those who want to turn their hearts and minds against Europe.

570

571 **Being proud of our own values and beliefs**

572

573 While respecting the traditions and religious beliefs of ethnic minorities, we should nevertheless be
574 'intolerant of intolerance' of our own value system and beliefs. We have a right to be proud of them and
575 to have them respected. We must promote religious freedom and freedom of conscience both inside the
576 EU and outside its borders. In the light of the principles of reciprocity and international justice the
577 religious freedom of, amongst others, Christian minorities in third countries must be improved.

578

579 The European People's Party recommends the updating, revitalising and modernising of inherent values,
580 including the rights of persons belonging to national minorities. These national minorities, their language
581 and culture, are part of our European values. These values are common to the Member States in a society
582 in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and
583 men prevail. The EPP recommends the promotion of best practices in the field of minority rights.

584

585 The EU's foreign policy must be as coherent as possible with the principles laid down above. We must
586 learn to distinguish between regimes and governments that support violence implicitly or explicitly and
587 those that do not: having made that distinction, we must act accordingly.
588

589

590 **The European People's Party proposes:**

591

592 **1. European foreign and security policy has to be in step with European internal policy. This should be**
593 **based on principles, convictions and values, in order to tackle, from a position of unity and**
594 **cohesion, problems such as totalitarian jihadist terrorism and organised crime. Other phenomena**
595 **linked to asylum and immigration should also be comprehensively addressed.**

596 **2. It is necessary to urgently redefine the current pattern of European Security and find mechanisms**
597 **aimed at improving communication and the synergies between the Commissioner for Freedom,**
598 **Security and Justice, the EU Counter-Terrorism Coordinator and Europol's Director. This should be**
599 **the case especially when dealing in a united and organised way with the counter-terrorist strategy.**

600 **3. To increase coordination among the national authorities in matters of internal security, including**
601 **cooperation between intelligence services and the sharing of documents and data.**

602 **4. It is also necessary to arrange regular meetings, at least once a year, of the Home Affairs Ministers**
603 **of every Member State, the Commissioner for Freedom, Security and Justice, the EU Counter-**
604 **Terrorism Coordinator and the Directors of Europol, Eurojust, SITCEN and Frontex, in order to**
605 **discuss exclusively the situation regarding fundamentalist terrorist organisations, such as the**
606 **jihadists or the ETA.**

607 **5. It is also urgent to improve the operational capability of Europol and Eurojust, in order to allow it to**
608 **take part in an efficient and relevant way in this key priority of the EU.**

609 **6. The EU has to ensure the energy supply and security of the European economy, through its support**
610 **for investments in projects aimed at avoiding energy dependence and diversification of sources and**
611 **supplies, in order to prevent further crises.**

612

613 **Developing a joint policy on illegal immigration**

614 Immigration is emerging as a key issue across Europe. In the past Europe was a place people left, but now
615 it is a major destination for immigrants. A number of factors have influenced migration in recent decades:
616 population growth, market globalisation, environmental degradation, advances in communication
617 technologies, ease of transportation, political, economic and social conditions, regional conflicts and
618 natural disasters.

619 It is widely considered that massive emigration is a sign of failure for the country of departure, but at the
620 same time we should not underestimate the impact of global warming and growing numbers of 'climate
621 change refugees'. And yet, however, in many countries leaders are satisfied with high emigration that
622 keeps a disruptive youth busy elsewhere and that comes with significant income in the form of
623 remittances in strong currencies.

624

625 However, mismanaged immigration – especially uncontrolled illegal immigration – brings about tensions
626 in the host country and inevitably leaves illegal immigrants in difficulties. They may become a source of
627 organised crime and human trafficking. Combating illegal immigration and preventing the human drama
628 connected with and arising from it should be understood as key elements of a European response.

629

630 The achievement of the freedom of movement for people within the European area, agreed on at
631 Schengen in 1985, condemns national policies to inefficiency as long as there are no common objectives
632 or coordination of the means. In a European Union without internal borders we have to take decisive
633 actions at both national and European levels to better protect our external borders. Indeed, the pressure
634 of illegal immigration on Member States in the Mediterranean and Atlantic region has reached an
635 unprecedented high.

636

637 The EPP recognises that actions taken at EU level – such as the establishment of Frontex – provide the
638 basis for further cooperation between Member States on the subject of Illegal immigration. Recognition
639 that illegal immigration is a common European problem is a prerequisite for a successful policy to combat
640 illegal immigration. Illegal Immigration calls for more concerted efforts and coordinated action between
641 Member States, regions and cities.

642
643
644

The European People's Party proposes:

- 645 **1. Respecting and protecting the migrants' human dignity. The unacceptable scandal does not lie in**
646 **the dismissal of illegal workers, it lies in the lack of concern shown for the thousands of boat people**
647 **drowned near our coasts and the hundreds of thousands of prostitutes coming from the East or the**
648 **South who work in all our big cities.**
- 649 **2. On the job market, implementing the European preference. Wherever possible, intra-EU migration,**
650 **within the framework of the regulations for the freedom of movement, should be encouraged,**
651 **especially to tackle skill shortages in Member States. Greater job mobility should be facilitated by**
652 **reducing bureaucratic barriers, including recognition of qualifications and ease of transferability of**
653 **various acquired rights, such as pension rights.**
- 654 **3. Fighting illegal immigration at EU level, starting from the needs, capacity and priorities set by each**
655 **Member State. Whenever possible, the Member States shall negotiate with the countries of origin.**
656 **Also, and in addition to striking up partnerships with countries of emigration, we need to encourage**
657 **closer and better ties in the area of police and judiciary cooperation at European level. At the same**
658 **time, coordination and controls at the EU's common borders will need to be stepped up and**
659 **national agencies responsible for home affairs and security will require better funding and**
660 **coordination at EU level. Frontex's mandate should be re-evaluated in order to respond to the**
661 **increase in pressure from illegal immigration, and cooperation in combating the criminal activities**
662 **and criminal organisations that often lie behind mass immigration and human trafficking should be**
663 **reinforced. In the same light, we fully support the objectives of the European Neighbourhood Policy**
664 **and its action plans aimed at promoting greater economic development, stability and better**
665 **governance in many of the EU's bordering countries.**
- 666 **4. Applying a joint policy on asylum rights. It should be our priority to establish procedural safeguards**
667 **as well as common standards in the processing of asylum applications, enhance the protection of**
668 **vulnerable persons as well as strengthen cooperation with Member States facing extraordinary**
669 **pressure from asylum seekers. The EPP opposes unilateral mass regularisations by individual**
670 **Member States.**
- 671 **5. Coordinating our regularisation systems for migrants as well as the granting of citizenship to**
672 **foreigners who acquire, at the same time, European citizenship. In order to achieve these**
673 **objectives, pursuing the establishment and the implementation of the Blue Card system for highly**
674 **skilled workers in Europe could be one possible solution.**
- 675 **6. Proposing to the countries of origin a global partnership. We need to establish a fair but firm**
676 **returns policy whose message is transmitted to the countries of origin of illegal immigrants. In this**
677 **sense, we fully support the European Commission's Return Directive which sets a good balance**
678 **between the repatriation of illegal immigrants and human rights guarantees. Similarly, the return of**
679 **workers after a stay sufficient for them to get solid professional experience, the readmission of**
680 **people who are in an illegal situation, police and judicial cooperation to dismantle the border**
681 **escorts' networks and a section on co-development when it appears relevant, are all important**
682 **points for the EPP.**
- 683 **7. Protecting the coasts of the European Union is vital in order to fight illegal immigration. The**
684 **European Union is surrounded by sea and the majority of the illegal immigrants are entering the EU**
685 **borders by sea. Therefore, the creation of a European Coast Guard is essential in order to combat**
686 **this phenomenon. Within the next term of the European Parliament, we must establish a specific**
687 **roadmap towards this end, including an agreement on its budget.**

688

689 **Ensuring food security and food safety**

690

691 Food is an essential part of European culture and civilisation, and has major importance both in social and
692 economic terms and in terms of public health. It affects us all, throughout our lives. Rising food prices
693 have focused attention on how the EU can ensure a supply of good quality, affordable food for its citizens.
694 We also face the even greater challenge of meeting increased demand for food globally. The developing
695 world faces enormous problems as increasing commodity prices push more people into hunger and
696 poverty with dire consequences, including famine, civil unrest and riots. Farmers across the world face
697 huge challenges. Within the EU, they are being asked to produce more food against a background of
698 increasing costs, quota restrictions and environmental constraints. The multi-functional nature of EU
699 agriculture demands strict compliance with environmental, animal welfare and food safety standards.

700

701 **Food security**

702 A growing world population with an increase of 80 million per year and an expected total of 8 billion
703 people by 2025 is placing greater demands on food security, mainly but not only in the developing world.

704 After a long period of reforms, farmers need a stable and predictable Common Agricultural Policy (CAP).
705 Agriculture lies at the heart of the economic, ecological and social challenges of tomorrow. It is one of the
706 key sectors of European strategy: it has economic significance in terms of job creation; it has a role in local
707 identity; it is closely tied to a dynamic agri-food industry, and it has environmental impact. Our ideas must
708 also form part of a more global approach, taking account of governance worldwide, since the CAP alone
709 will not address problems such as world hunger or climate change. The EU shall further on support the
710 development of rural areas and family farming.

711

712 **The European People's Party proposes:**

713 **1. A renewed agricultural policy should meet four objectives:**

- 714
- 715 • ensure the supply of high quality products in the EU, taking into account the demands of farmers
and consumers;
 - 716 • contribute to the global food balance, so as to participate in world food and energy security and be
717 present in the markets of the future;
 - 718 • maintain and develop the balance of rural areas as cultural landscapes, by ensuring the presence of
719 activity and employment and the standard of living for farmers; and
 - 720 • participate in the fight against climate change and improve the environment, by creating
721 agriculture which reconciles sustainability, economic development and ecological efficiency.

722 **2. A renewed fisheries policy should meet the following objectives:**

723 Fisheries and aquaculture play a key role in providing high quality food to consumers while at the same
724 time they contribute to the social and economic cohesion of all areas dependant on fisheries.

725 **Fisheries:**

- 726
- 727 • common management, conservation and sustainable exploitation of fish stocks by enforcing the
fight against illegal, unreported and unregulated fishing;
 - 728 • limitation of the environmental impact of fishing by reducing unwanted catches and eliminating
729 discards; and
 - 730 • enhanced cooperation between fishing fleets operating in regional seas.

731 **Aquaculture:**

- 732 • create secure employment particularly in fisheries-dependent areas by increasing production
733 and applying integrated coastal zone management;
- 734 • provide safe and high-quality fishery products by ensuring a high level of public and animal
735 health as well as animal welfare; and
- 736 • ensure an environmentally sound industry by reducing the impact of waste, tackling the
737 problem of alien species and genetically modified organisms, promoting biological production
738 and carrying out environmental impact assessments.

739 **3. The ability to cope with the volatility of markets is a determining factor if sustainable bases for**
740 **production in Europe are to be maintained. Current forms of support, which are essentially fixed in time**
741 **and disconnected from the real situation on the market, should be supplemented with less static tools,**
742 **with due regard for international rules.**

743 **4. To have an efficient CAP within the EU, more account should be taken of the diversity of systems of**
744 **production and their needs. We need to find the right balance between sustainable agricultural**
745 **production while maintaining environmental protection. To meet the challenges ahead, support for**
746 **agriculture and for the agri-food industry within the CAP should be designed to encourage innovation**
747 **and incorporate deep respect for the environment.**

748 **5. The high demands made of European producers in terms of health and environmental standards and**
749 **even collective preferences such as animal welfare are legitimate, since they respond to the**
750 **expectations of society, but they represent a high cost for producers. European production should**
751 **therefore be governed by fair competition and protected from distortion, and a balance should be**
752 **sought between competitiveness and social expectations. Notwithstanding its adhering to the principle**
753 **of the free movement of goods, the EPP, according to the principle of subsidiarity, supports national or**
754 **regional decisions exercising the right to agriculture free of GMOs.**

755 **We need an increase of plant and animal production for staple foods and bio-energy by applying the**
756 **following measures:**

- 757 • abolishing any set-aside areas within the EU and a better analysis of current EU environment/land
758 use policies;
- 759 • accelerating moves to production and utilisation of second generation bio-energy (which processes
760 manure and agricultural waste materials); and
- 761 • researching and developing new technologies for food, animal feed and welfare as well as energy
762 production.

763

764 **Food safety**

765 Where food is concerned, EU citizens are more and more demanding with regard to the nutritional quality
766 of the products and their safety to health. The EPP pays special attention to the right of the consumer to
767 decide for him or herself, especially as regards the legislation on food labelling, nutrition and health claims
768 made about food. Information and education are essential to enable our citizens to make informed
769 choices. We underline that EU citizens have the right to:

770

- 771 • high-quality food, especially regarding hygiene and safety;
- 772 • transparency and traceability of the food chain (indicating the place of origin of food products and the
773 most important raw materials);

- 774 • clear, precise and informative food labelling;
- 775 • traditional and regional specialities, cuisines and food production; and
- 776 • information and education on healthy lifestyle options.

777

778

779 **The European People's Party proposes:**

- 780 • **The European Food Safety Authority (EFSA) has a critical role to play in providing independent and**
- 781 **scientifically based decisions and information to Member States and consumers on food safety**
- 782 **issues, including GM food. It should not engage in tasks which are outside its remit.**
- 783 • **Strong support for the 'farm to fork' approach throughout the food chain.**
- 784 • **Support for the polluter-pay principle concerning the hygiene, handling and production of food.**
- 785 • **EU standards, and sanctions if necessary, must be applied to imported feed and food.**
- 786 • **Careful use of approved pesticides, fertilisers and animal health products.**
- 787 • **Correct, accurate and scientifically based food labelling. Information campaigns in the Member**
- 788 **States aimed at promoting healthy lifestyles, supported by the EU. Consumers should be**
- 789 **empowered to make responsible lifestyle choices for themselves and their family. Traditional and**
- 790 **regional specialities, cuisines and food production should be preserved and promoted as part of our**
- 791 **culture.**

792

793 3. Combating Climate Change – Our Responsibility to Future Generations

794

795 *'The only battle lost is the one not fought' - Loyola de Palacio*

796

797 Introduction

798

799 The Intergovernmental Panel on Climate Change (IPCC) has concluded that human activity is altering our
800 climate system and will continue to do so. Scientific evidence shows that a significant part of the current
801 warming is caused by human-induced greenhouse gas emissions, mainly by the burning of fossil fuels
802 which have been stored over millions of years in the earth. The amount of greenhouse gases we add is
803 enormous – some 26 billion tonnes of carbon dioxide alone each year.

804

805 Since 1900, Europe has warmed more than the global average, with a 0.95° C increase, compared to the
806 global average of 0.74° C. The global average temperature is projected to increase by 1.8–4.2° C and 2.0–
807 6.3° C for Europe (without policy measures) by the end of the present century.

808

809 In Europe, nearly all regions will be negatively affected by some future impacts of climate change, posing
810 difficult challenges to many economic sectors. Negative impacts will include:

811

- 812 • increased risk of inland flash floods
- 813 • more frequent coastal flooding
- 814 • increased erosion (due to storms and the rise in sea levels)
- 815 • increased risk of forest fires (due to heat waves)
- 816 • water scarcity and droughts

817 Climate change threatens additional impacts on natural and socio-economic systems that are already
818 subject to natural climate fluctuations (such as water scarcity, droughts, forest fires and floods), which
819 cause widespread disruption in society's ability to harness natural resources. Moreover, Europe will have
820 to deal with the consequences of climate change in other parts of the world. A large alliance that involves
821 national and local governments, the international community, the private sector, local communities and
822 individuals has to be built in order to respond efficiently to climate change. A global challenge needs a
823 global response. Therefore, any political decision to reduce greenhouse gas emissions has to keep those
824 'tipping points' in mind.

825 By setting clear reduction targets in March 2007, the European Union showed its willingness to fight
826 climate change, but the European Union cannot overcome climate change on its own. It can only control
827 its part of the problem and offer its readiness and political will to contribute to a global solution. In fact,
828 no other region in the world is better suited to provide global leadership on this issue and to stimulate
829 others by its own actions than the European Union. This EU leadership on the issue of climate change has
830 also been confirmed by the decisions taken by the Heads of State and Government in December 2008. The
831 financial and economic crisis should not be taken as an excuse to do nothing – on the contrary: we should
832 take it as a wake-up call to modernise our economies and create new, sustainable jobs.

833 Therefore, we must continue to put in place the policies and technologies and the change of mindset
834 needed to limit the damage caused by climate change and to promote a more sustainable way of life. This
835 goal also has to be taken into account in the process of restructuring the energy market. The reduction of
836 greenhouse gas emissions offers the opportunity to make us more independent of oil and gas imports.
837 However, this must be achieved in a balanced way that will provide the necessary energy security, while
838 also investing in alternative ways to power our economies

839 As the largest European party, the EPP has already taken decisive steps towards effective action in energy
840 efficiency, R&D and security of supply. We made far-reaching proposals for a more sustainable, efficient
841 and safe energy supply in our policy document 'Europe's Energy Challenge' in March 2007. However, the

842 challenge is huge and it is a collective responsibility to look for solutions to safeguard the planet for future
843 generations – it is in our hands to save the Earth. We consider this a political but also a moral
844 responsibility.

845 846 **Combating climate change in Europe** 847

848 The Stern Committee, which published its findings in 2006, predicted that climate change would have a
849 serious impact on economic growth if no mitigation was put in place. According to its findings, an
850 investment of 1% of global GDP is required to mitigate the effects of climate change, with failure to do so
851 risking a recession costing up to 20% of the global GDP.

852
853 Thus the benefits of strong and early action far outweigh the economic costs of no action. In fact,
854 according to the *Stern Report*, ‘the costs of stabilising the climate are significant but manageable; delay
855 would be dangerous and much more costly’.

856
857 It is important to note that action on climate change will also create significant business opportunities, as
858 new markets are created in low-carbon and carbon-free energy technologies and other low-carbon and
859 carbon-free goods and services. These markets could grow to be worth hundreds of billions of euros each
860 year, and employment in these sectors will expand accordingly.

861
862 The world does not need to choose between averting climate change and promoting growth and
863 development. Changes in energy technologies and in the structure of economies have created
864 opportunities to decouple growth from greenhouse gas emissions. Tackling climate change is the pro-
865 growth strategy for the longer term, and it can be done in a way that does not cap the aspirations for
866 growth of developed or developing countries.

867
868 The European Union is too heavily dependent on fossil fuels and must reduce its own emissions of
869 greenhouse gases. Therefore, the EPP wants the European Union to be the frontrunner in low-carbon and
870 carbon-free technologies. We are convinced that a courageous and rapid move towards the most modern
871 and efficient technologies will benefit not only our climate and provide the basis for a global solution, but
872 that it will also be beneficial for the economy as it will make us much less dependent on the import of
873 fossil fuels. Therefore we consider the decarbonisation of our economies as a win-win situation which
874 modernises our economies and makes us less dependent on foreign sources of fossil fuels.

875
876 The EPP’s main goal is to limit the average global temperature increase to 2° C above pre-industrial levels
877 in order to avoid dangerous global warming. Research shows that stabilising the level of greenhouse gases
878 at 450 ppme (parts per million of CO₂ equivalent) would lead to a one in two chance of staying within the
879 framework of a 2° C rise. This 2° C goal is essential and will be the determining figure in order to set the
880 emission rates allowed in the future. The EPP calls for a 30% reduction in greenhouse gas emissions by
881 2020 (compared to 1990 levels) according to the decisions adopted in the European Council in March
882 2007. We also endorse the concrete measures taken by the European Council in December 2008 in order
883 to implement the reduction measures while at the same time safeguarding the competitiveness of
884 European industries. We are aware that those are ambitious goals that will require better integration of
885 the climate change objectives in the relevant policy areas, strong efforts in energy efficiency, the
886 promotion of carbon-free energy as well as the implementation and improvement of the Emission Trading
887 Scheme (ETS) in all areas concerned. But we are willing to accept the challenge and regard it as our duty to
888 keep the earth an inhabitable place for future generations.

889 890 **Promoting energy efficiency and energy saving** 891

892 Energy efficiency in the production of electricity, the building sector, heating, transportation and
893 manufacturing, will be one of the keys for reducing our energy consumption. Efficiency can be increased

894 by enhanced standards, well-balanced tax/levy systems and the application of the life-cycle cost efficiency
895 principle to the purchasing decisions/choices of consumers. In electricity production the most modern
896 technologies (e.g. combined heat-power generation) have to be applied.

897
898 The EPP welcomes the Commission's proposal to cut total primary energy consumption in the EU by at
899 least 20% by 2020, and encourages the creation of an international framework agreement on energy
900 efficiency which favours energy saving mechanisms like efficient street lighting and passive heating and
901 cooling systems for buildings. If Europe manages to deliver, its energy bill could be slashed by an
902 estimated 60–100 billion euro every year. This would also prevent 780 million tonnes of CO₂ from being
903 emitted in the atmosphere, or twice the amount the EU agreed to under the Kyoto Protocol. With regard
904 to heating and building insulation, the Member States and regional and local authorities should grant
905 benefits to owners who enhance energy efficiency in their buildings.

906
907 The EPP supports the immediate introduction of energy-saving measures, namely programmes for the
908 renovation of existing residential buildings and public buildings. The main objective is an improvement in
909 energy efficiency (facades, windows, roofs, heating systems, ventilations systems etc.). In this field,
910 modern green technologies are already highly developed; they can be found on the market and are in
911 widespread use.

912
913 Such programmes have multiple long-term effects and can also be implemented immediately. Among
914 others, we should preserve and revive the construction sector, which, along with all other connected
915 economic branches, in some cases represents up to 50% of an entire national economy (this includes the
916 preservation of jobs as well as the use of domestic resources, technology and knowledge).

917
918 In the transportation sector, the efficiency of cars has to be increased dramatically. Therefore, we call on
919 the European car industry to make fuel efficiency an important target when developing new models. Also
920 the air transport sector has to deliver a significant reduction – mainly by a rapid realisation of the Single
921 European Sky and the integration of air transport (as well as maritime transport) into the ETS. The EU
922 should also further develop trans-European railway networks in order to provide, for goods and people,
923 rapid alternatives to road transport and, on certain distances, to air transport. This inter-modality would
924 also represent a boost for the alternatives to road transport. The development of public transportation in
925 the European Union should become a major goal of the European policy against climate change.

926
927 The electricity consumption of products sold in the EU should be clearly marked on energy labels.
928 Appliances which consume electricity even when turned off should be banned from the market. The EPP
929 calls on the European Union and the Member States to use green public procurement as a tool for the
930 promotion of energy efficient products and services, and more generally to boost demand for eco-
931 innovation. The EPP calls on the European Union and the Member States to promote campaigns for more
932 awareness on the issue of climate change. The media also play a role and should not mislead the public
933 with wrong information and manipulated data merely in order to present more controversial debates on
934 the issue.

935 **Emission trading**

936
937 The EPP is convinced that a genuine market-based system of reducing emissions should be applied where
938 possible. The EU Emission Trading Scheme is one of the most important contributions to reducing
939 greenhouse gases because it internalises external costs so that a market-based mechanism can reduce
940 emissions where the costs for the economy are lowest. The cost-free allocation of emission allowances
941 should be gradually reduced in order to enhance the efficiency and transparency of the market. As many
942 sectors as possible, e.g. chemicals, aluminium, coal mines and air and maritime transport, have to be
943 integrated globally into the system in order to create a level playing field. We welcome the decisions to
944 establish workable thresholds – carbon leakage will not help the climate but risk jobs in Europe.

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Renewable energy

The switch towards carbon-free energy is beneficial for the climate and it also makes us less dependent on the import of fossil fuels from politically unstable regions. The investments will pay off in a double way. The EPP stresses the need for increased efforts in research and development (R&D) and in moving new technologies from the laboratory to the market place in order to enable the application of innovative transformative technologies in all areas of production and the use of energy. The European Union should be the market leader in the most modern, energy efficient technologies.

Renewable energy represents huge potential, which in most of the EU Member States is not yet used to the scale it could be. Energy from renewable sources such as hydropower and including wave, sun, wind, geothermal and biomass energy will have to be exploited on a much larger scale if we are serious about reaching the CO₂ reduction goals. Renewable energy should represent at least 20% of the energy mix in the EU by 2020 but the aim should be to increase this share even further. The Commission should encourage the Member States to establish sector-specific targets, especially for electricity production, heating and cooling and transportation as proposed by the Renewable Energy Roadmap.

Also, in the future, each Member State will continue to choose its own energy mix, based on geographical, economical, regional, climate and structural differences. But equally each Member State will have to fulfil its obligations to reduce CO₂ emissions and to gradually increase the share of energy from low-carbon or carbon-free energy sources to the targets to be proposed in the burden-sharing regime. Incentives to comply with the targets should be cost-efficient. Each Member State should be able to choose the most appropriate measures to promote renewable energies. The aim is to ensure that national policies are aligned with the common EU objective, and at the same time take into account local circumstances. A functioning common energy market and infrastructure are important factors in reaching EU targets. Imports of renewable and carbon-free energy sources should be encouraged before the increased production of more fossil sources.

Member States should examine whether there are administrative barriers to the successful deployment of RES (Renewable Energy Systems), such as unfavourable territorial planning rules, overly complicated permit procedures or unclear responsibilities among authorities. The removal of such obstacles should be treated as a priority.

The EPP supports the minimum target for biofuels, but stresses that clear standards and a certification scheme have to be introduced to ensure sustainability, especially for imported biofuels.

Nuclear energy

Nuclear power can contribute to fulfilling our commitment to reduce greenhouse gases. The EPP is convinced that many countries will also need nuclear energy in the future because they will not be able to rely on renewables alone to secure base-load electricity. But we demand that every power station meet the highest possible standards concerning safety and that more research be dedicated to the safe storage and treatment of nuclear waste.

Taking into account that the debate on the future use of nuclear power is still open in many countries, the EPP, according to the principle of subsidiarity, supports the right of each Member State to decide on the energy mix that it will follow, respecting each country's geographical, economic, regional and climate differences, and provided that all countries meet the emission reduction targets.

998 **Other greenhouse gases**

999

1000 Whereas carbon dioxide is certainly the most important greenhouse gas, the others should not be
1001 neglected when we are looking for a sustainable solution. In particular, the emission of methane has to be
1002 addressed. Therefore, strategies to reduce methane emissions from rice paddies and ruminant animals
1003 have to be developed.

1004

1005 **The fight against deforestation**

1006

1007 Deforestation accounts for 25% of greenhouse gas emissions, and the pace of tropical deforestation and
1008 the negative impact on the global absorption capacity of natural sinks and biodiversity is alarming.
1009 Therefore, the EPP suggests that reducing and, in the long term, halting deforestation and forest
1010 degradation, desertification, erosion and degradation of soil and ensuring sustainable afforestation and
1011 reforestation, provides a cost-effective contribution to mitigating greenhouse gas emissions and to
1012 conserving biological diversity, promoting sustainable forest management and enhancing security of
1013 livelihoods. Furthermore, the EPP strongly believes that performance-based incentives to avoid
1014 deforestation need to be part of the future climate regime, and that it will be vital to create a strategic
1015 partnership with the countries most concerned with tropical deforestation and incorporate such
1016 incentives in the allocation of development aid by donors in Europe and worldwide. The role of the forests
1017 in Europe in the fight against climate change has also to be better taken into account in the future.

1018

1019 **Adapting to climate change**

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1021 All parts of Europe will increasingly feel the adverse effects of climate change. Therefore, adaptation
1022 efforts have to be stepped up and properly coordinated at all levels and in Community policies. At the
1023 same time, in order to properly mitigate the effects of climate change in Europe, the EU should perform
1024 its own risk assessment, focusing on the areas that might be most affected, so as to adapt its regional
1025 policies accordingly.

1026 Adaptation will also bring about new economic opportunities, including new jobs and markets for
1027 innovative products and services. European companies are currently leaders in the world market for
1028 adaptation strategies and technologies, and we must maintain that competitive advantage by rapidly
1029 putting into place adaptation measures, such as climate-proof building techniques, improved agricultural
1030 management practices and new effective insurance products. This should be explored in cooperation with
1031 different stakeholders such as research centres, universities and the private sector.

1032 European agriculture will face many challenges due to climate change. As increased heat waves, droughts
1033 and pests more and more affect crop yields, livestock management and food production, the importance
1034 of agriculture and forestry management techniques will increase as well. Several measures can be put in
1035 place such as efficient water use, promotion of climate resilient forest management, soil management
1036 measures and protection of permanent grasslands and multifunctional landscapes.

1037 Emphasis must be placed on conserving and restoring biodiversity and ecosystem services in the wider
1038 countryside and marine environment, making regional and territorial development compatible with
1039 biodiversity and reducing the undesirable impacts of invasive alien species.

1040

1041 **A global solution to a global threat**

1042

1043 We need a global approach which includes not only the industrialised countries but also the developing
1044 countries as well as the least developed countries.

1045

1046 Since the consequences of climate change will affect us all, all countries need to take measures according
1047 to their level of development and their own capabilities in order to achieve globally binding targets in a

1048 fair and sustainable way. In this system, the developed countries will have to deliver the largest
1049 reductions, but the developing countries also will need to make considerable efforts to limit their
1050 greenhouse gas emissions. The combat against climate change will only be successful if we follow a global
1051 approach; the EPP therefore demands that the EU seek diplomatic and political solutions and convince
1052 others – especially the US, China and India – to undertake joint actions. In this context, the worldwide
1053 transfer of the appropriate knowledge and technology is of special importance in order to enable every
1054 country to implement the appropriate measures.

1055
1056 In this global effort, developed countries must commit to cutting their greenhouse gas emissions by 30%
1057 compared to 1990 levels by 2020, as part of a post-2012 international agreement. As developed countries
1058 are technologically and financially able to reduce their emissions, they should lead the worldwide efforts
1059 to combat climate change. An emission trading system will ensure the cost-effectiveness of emission
1060 reductions.

1061 The main emphasis of the post-2012 UN framework model should, in our opinion, be on energy savings
1062 and eco-efficiency, low-emitting technologies and their development.

1063 To reach the technological change required, we need further international research and technological
1064 cooperation, especially with third countries. This should include setting up large-scale technology
1065 demonstration projects in key developing countries. International research cooperation should, inter alia,
1066 assist the quantification of regional and local impacts of climate change as well as the development of
1067 appropriate adaptation and mitigation strategies. The more we cooperate on an international scale,
1068 producing institutionally feasible agreements, the greater our results will be in terms of limiting global
1069 warming.

1070
1071 Public authorities at all levels – regions, cities and communes – do have a particular responsibility as far as
1072 the fight against the challenges of climate change is concerned. The public sector can and must be the
1073 pacesetter for sustainable development. This is especially important when strengthening regional and
1074 local economic cycles.

1075
1076 The EPP has always been a political supporter of adopting and developing environmental policies. With
1077 this document, the EPP ratifies its commitment to environmentally sustainable policies, and establishes a
1078 new pact with European citizens: the Environmental Preservation Pact (EPP).

1079
1080 With this pact, the EPP awakens the ‘eco-logic’ consciousness of the European citizens and renews its
1081 commitment, as it has done on many occasions in the past, to continue working to develop policies for the
1082 global welfare of society. The EPP strongly supports the Covenant of Mayors initiative of the EU to engage
1083 cities and regions in the fight against climate change.

1084
1085 **The European People’s Party proposes:**

- 1086
- 1087 • **the average global temperature increase should be limited to 2° C above pre-industrial levels in**
 - 1088 **order to avoid dangerous global warming; greenhouse gas emissions should be reduced by 30%**
 - 1089 **by 2020 in the framework of an international agreement;**
 - 1090 • **to foster and develop green employment;**
 - 1091 • **to maintain the EU’s international leadership in climate change and promote climate change**
 - 1092 **dialogue with international partners;**
 - 1093 • **to lead and set priorities in the debate on the post-2012 climate policy;**
 - 1094 • **to strengthen international cooperation in order to reach a decision on a post-2012 agreement by**
 - 1095 **the end of 2009 in Copenhagen;**
 - 1096 • **to stress research and development on climate-change-friendly technologies, taking into account**
 - 1097 **the important role of SMEs in this area; the European Union should be the market leader in the**
 - 1098 **most modern, energy efficient technologies;**

- 1099 • the immediate introduction of energy-saving measures, namely, programmes for the renovation
1100 of existing residential buildings and public buildings;
1101 • to move forward with the implementation of EU policies and focus on reviewing the current EU
1102 Emissions Trading Scheme, renewables, effort sharing etc.;
- 1103 • renewable energy should be at least 20% of the energy mix in the EU by 2020; the Commission
1104 should permit Member States to establish sector-specific targets as proposed by the Renewable
1105 Energy Roadmap;
- 1106 • the efficiency of cars has to be increased dramatically; the European car industry should make
1107 fuel efficiency an important target when developing new models;
- 1108 • the air transport sector has to deliver a significant reduction in emissions – mainly by a rapid
1109 realisation of the Single European Sky;
- 1110 • the trans-European railway networks have to be further developed in order to provide rapid
1111 alternatives to road and air transport;
- 1112 • total primary energy consumption in the EU should be cut by at least 20% by 2020; the electricity
1113 consumption of products sold in the EU should be clearly marked on energy labels; green public
1114 procurement should be used as a tool for the promotion of energy efficient products and services
1115 and to boost eco-innovation;
- 1116 • nuclear energy will be needed by some countries in the future as it can contribute to fulfilling our
1117 commitment to reduce greenhouse gases; every power station must meet the highest possible
1118 standards concerning safety; more research has to be dedicated to the safe storage and
1119 treatment of nuclear waste;
- 1120 • deforestation and forest degradation has to be reduced and in the long term stopped, and
1121 sustainable afforestation and reforestation has to be ensured; the EPP welcomes the Commission
1122 Communication on this;
- 1123 • the EPP will draw special attention to youth. They shall develop a respect for natural systems at
1124 an early age in order to understand the root cause of environmental problems and focus on how
1125 to become part of the solution both at the personal and systemic level.
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1130 **4. Tackling the Demographic Challenge – Solutions for the Ageing of our Societies**

1131
1132 Population ageing is both a challenge and an opportunity. Seizing this opportunity will require the
1133 cooperation of governments, employers, unions, civil society and the European Union to adopt and
1134 implement a new agenda of age-friendly employment, entrepreneurship, volunteering policies and other
1135 practices. The regional and social implications of population ageing must also be taken into consideration.
1136 Essential public goods and services, such as healthcare, housing, urban planning, transport and tourism
1137 services will be affected in ageing societies.

1138
1139 By the year 2050 the population of the European Union will have declined to 449 million, compared to its
1140 peak population of 470 million in 2025. In OECD countries the population over the age of 65 could more
1141 than double by the year 2050, reaching as high as 70% of the working-age population. In the EU-25, the
1142 working-age share of the population is expected to decrease dramatically, therefore, from 67.2% in 2004
1143 to 56.7% in 2050, a decrease of some 52 million people.

1144
1145 The challenges that this phenomenon poses to policy are wide-ranging, as it touches on education,
1146 employment and social protection. The main drivers of demographic change are the birth and life
1147 expectancy rate as well as migration.

1148
1149 As the biggest pan-European party, the European People's Party therefore proclaims: The time for action
1150 is now.

1151
1152 **Healthcare, social security and pensions**

1153
1154 The social and economic implications of population ageing are manifold and its impact on the social
1155 security systems in the EU cannot be underestimated.

1156
1157 Demographic trends:

- 1158 1) *Low birth rate*. The current birth rate sits at 1.5 children for the EU-25. A limited increase to 1.6 is
1159 projected for the EU-25 by 2030.
1160 2) *Ageing of the baby-boom generation (45–65)*. This will lead to a substantial increase in the
1161 proportion of older people in Europe, and thus of pensions and other welfare spending.
1162 3) *Higher life expectancy*. After increasing by eight years since 1960, life expectancy at birth could
1163 rise further by at least another five years by 2050.

1164
1165 As far as health policies are concerned, a wider 'healthy ageing' strategy which focuses on promoting
1166 healthier lifestyles throughout life should be developed. This should go hand in hand with the adoption of
1167 the European Voluntary Quality Guidelines for health and long-term care in order to guarantee the right
1168 to dignity for elderly people across all Member States.

1169
1170 Ageing will lead to ever greater pressures on public spending, although the situation will vary widely from
1171 one country to another. National policy makers all over Europe therefore have to improve the viability of
1172 social security systems.

1173
1174 Age-related public spending will rise by three to four percentage points of GDP between 2004 and 2050,
1175 representing an increase of 10% in public spending related to pensions, health and services expenditures.

1176
1177 Pension reforms in Europe should aim at the implementation of flexible retirement schemes, making it
1178 possible for citizens to work longer or shorter periods of time, and thus obtain higher or lower pension
1179 benefits. Unemployment, disability and other welfare benefits must not be used as alternative pathways
1180 to an early exit from the labour market. Public employment services should assist those elderly workers
1181 who want to re-enter the workplace.

1182

1183 Solidarity between the generations means that the burden of pension schemes should be proportionally
1184 distributed across generations and must not only lie on the shoulders of young citizens. Furthermore,
1185 within a more transparent and regulated financial infrastructure, private pension funds should be
1186 established as a supplement to public ones.

1187
1188 **Reconciliation of family and work life**
1189

1190 At present European citizens face major difficulties in reconciling their work and family life. For many
1191 parents, especially for women, finding the balance between high qualification and success in the labour
1192 market on the one hand, and their wish to raise a family on the other, is very difficult to achieve. The
1193 family, especially today when we are witnessing rapid changes in society, deserves the special and
1194 concrete support of society. Family friendly policies that improve flexibility for working parents have to be
1195 introduced. Our educational systems and our work patterns have to be more flexible in order to support
1196 working parents. The importance of supporting family life should be prioritised in policies such as
1197 education, employment, transport, health and the inclusion of young people. Furthermore, better
1198 childcare and housing policies have to be provided and parental leave for both working parents has to be
1199 encouraged. The EPP is in favour of introducing efficient family friendly taxation systems, where possible.
1200 We especially have to examine whether young families can get sufficient access to services which they feel
1201 are needed to raise their children. The EPP stresses that family friendly societies must leave parents the
1202 free choice and the responsibility to provide the care for their children that is best for them, without
1203 privileging or discriminating against certain choices.

1204
1205 Responsibilities need to be shared between the state and private industry. It should be our priority to
1206 establish a more child-friendly society by improving the availability of and access to childcare facilities,
1207 creating better financial conditions for young couples (through more effective family welfare allocations),
1208 introducing family friendly fiscal policies and reducing the social security contributions of parents with
1209 disabled children. The potential of our workforce should be enhanced through more and better education
1210 and lifelong learning schemes. The private sector is invited to support young people's entrepreneurship
1211 and provide more flexibility with respect to working time, look for new ways to enhance the career
1212 planning of its workers, especially of female workers, and guarantee sufficient childcare facilities within
1213 the workplace. We believe that the new orientations for family policies, which are a competence of the
1214 Member States, will also contribute to growth and employment and facilitate female labour force
1215 participation.

1216
1217 We also invite Member States to further commit themselves to adapting their policies in support of family
1218 life to take account of demographic ageing and the diverse needs of families. Policies aimed at reconciling
1219 work and family life can have a positive influence on both (female) labour force participation and fertility.
1220 Countries which have individual entitlement to parental leave for both men and women and invest in
1221 high-quality childcare services and more flexible organisation of working time, generally have both high
1222 birth rates and high levels of female employment.

1223
1224 The balancing of professional, family and private life is an integral part of the Lisbon Strategy. Through the
1225 emphasis on equality between men and women and equal opportunities more generally, the Lisbon
1226 Strategy constitutes a framework of support for the development of national family policies. In the same
1227 way, we support the childcare targets adopted by the European Council in 2002 and other initiatives
1228 launched by the European Commission in support of demographic change and family life. We also
1229 highlight the need to close the gender pay gap in Europe, especially by applying current legislation more
1230 effectively and involving all stakeholders in the promotion of equal pay. It is equally important that the
1231 institutions of the European Union set a good example by promoting equality between men and women in
1232 leading positions.

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Education and access to the labour market

Over the next 30 years, the dynamics of population ageing will have important implications for workforce composition. The working-age population within the EU will decrease by more than 52 million between now and 2050. Moreover, the old-age dependency ratio between the passive population (people aged 65 years and over) and the active population (those aged 15–64) is set to double and reach 53% by 2050. This means that the EU will go from having four to having only two persons of working age for each citizen aged 65 and over, resulting in serious pressure on welfare systems across Europe. The related costs have been calculated, with a drop of up to 1.2% in the potential growth of European GDP between 2031 and 2050, if no action is taken.

Youth, women, ethnic minorities, immigrants and elderly workers are particularly affected by either unemployment or labour market inactivity. Greater participation by these groups in the labour market should be encouraged. The participation of people aged 65 and over in the economic and social fabric must be promoted as an opportunity and not presented as a constraint. Flexible retirement must be encouraged and those who are still fit and willing to work should be given the option to do so even after their official retirement age.

Education is key for the EPP. Basic education, which helps to shape personalities, is indispensable for an individual's participation in society. Higher levels of education are associated with significantly higher employment rates and much lower unemployment rates. In 2005, the average employment rate among the highly skilled in the EU was 82.5%, for the medium-skilled (those having completed upper secondary education) it was 68.7%, whereas for the lowest skilled it was only 46.4%. With due regard for pluralism of opinion and behaviour, the EPP considers that education needs values, respect for human life in all its forms and at all stages, and considers family and love as indispensable aspects of education.

Life-long learning is especially important as early formal education may not suffice on its own to meet the challenges posed by technological change and globalisation. We also need to facilitate the training and learning of IT skills and computer knowledge for people of all ages. A key issue could be to encourage co-financing between public and private enterprises where needed. We therefore invite Member States to follow the targets specified by both the Lisbon Strategy and the European Employment Strategy, which aim to increase employment and growth.

Migration: an opportunity for the EU to respond to the demographic crisis?

The Member States should promote mobility and complete the Single Market. The EU needs a long-term strategy to encourage and attract talented, qualified and skilled workers from the rest of the world in order to become the most competitive and dynamic knowledge-driven economy. In fact, it is not enough to bring migrants into Europe, we need to integrate them and offer them fair working conditions. Therefore, awareness of the long-term implications on the social and economic system of both legal and illegal immigration, and the need for Member States to address the demographic features of these communities, is vital.

The EPP supports the fact that the Commission and European Parliament are working in cooperation with the Member States to develop a common asylum and migration policy which focuses on legal immigration for work purposes in order to satisfy requirements in certain sectors of the labour market, particularly SMEs. EU migration policy should be supplemented by policies that integrate third-country nationals, allocate greater financial resources and include partnerships with third countries. This can be achieved through marketing campaigns on a European and international scale, and it should also include incentives for migrants with skills and assistance for employers to recruit these migrants from outside the EU.

1288 Integration programmes should encourage legal immigrants to actively participate rather than be passive
1289 beneficiaries. In this sense, the EPP favours access to entrepreneurial incentive schemes for legal
1290 immigrants. Language courses, vocational training, mentoring programmes, lifelong learning and
1291 enhanced job placement attempts are needed to assist those immigrants disadvantaged in the labour
1292 market. Ultimately, these efforts can contribute to the fight against discrimination while at the same time
1293 ensure that immigrants are better integrated into labour markets and societies in general.
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1295

1296 **The European People's Party proposes:**
1297

- 1298 • **national policy makers all over Europe have to improve the viability of social security**
1299 **systems;**
- 1300 • **the burden of pension schemes should be distributed across generations in order to**
1301 **safeguard solidarity between generations;**
- 1302 • **family friendly policies that reconcile family and professional life and secure free choice for**
1303 **parents have to be introduced;**
- 1304 • **better childcare and housing have to be provided and parental leave for both working**
1305 **parents should be encouraged;**
- 1306 • **flexible retirement must be encouraged and those who are still fit and willing to work**
1307 **should be given the option to do so, even after their official retirement age;**
- 1308 • **lifelong learning is especially important in order to cope with the challenges posed by**
1309 **technological change.**
1310

1311 **5. Uniting Europe on the World Stage**

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1313 Europe needs to speak with one voice. This is what our citizens and our global partners expect from us.
1314 The EU has, with the development of a Common Foreign and Security Policy, a European Security and
1315 Defence Policy and the High Representative, taken important steps in the direction of a Common
1316 European Foreign and Security Policy which will strengthen Europe's role in the world. This process has to
1317 be continued. Often, the EU functions as a bystander rather than an actor and a leader. In the G-8, in the
1318 UN or even in the IMF, the European Union is not considered to be a primary political actor. In
1319 Washington, Moscow or Beijing, the EU is often viewed as a super-NGO endowed with significant financial
1320 resources and specialised know-how. Europe should however be in the position, together with its global
1321 partners, to promote European interests in the world, take responsibility and embrace the challenges of
1322 the 21st century. It is essential to find the right answers to this changed balance of power and to the
1323 threats which regional crises, international terrorism and weapons of mass destruction pose for our
1324 societies. We would like to support a Common Foreign and Security Policy integrated into a security
1325 strategy that also takes energy policy and natural resources into account. This is why we have to establish
1326 the political and institutional base in order for the EU to be able to act and to speak with one voice.

1327

1328 The European People's Party is determined to change this:

1329

1330 **In the Union itself.** With the most recent enlargement cycle, the EU has managed to embrace most parts
1331 of the continent. As a consequence, the EU is not only endowed with new means but also with new
1332 ambitions. For the future however it has to be clear that in order to become a member of the European
1333 Union not only the fulfilment of political and economic criteria must be met but also the capacity of the
1334 EU to continue the European integration process must be taken into account. The identity and the
1335 capacity of the EU to act have to remain. At the same time the EU should remain an important source of
1336 inspiration, guidance, and support for those non-EU member states seeking to consolidate their
1337 democratic systems and market economies. When the Lisbon Treaty is ratified, it will grant the EU legal
1338 status, more efficient and democratic institutions, a major competency in foreign affairs and, for Member
1339 States that wish it, some capacity for common defence. In most Member States, a large majority of
1340 citizens appear to have greater trust in the common foreign policy action of the Union than in the
1341 independent action of their own countries: citizens want a Europe that protects and reassures them. The
1342 successive foreign policy crises of the last 15 years in the Balkans, the Caucasus, Russia, the Middle East
1343 and Iran, have revealed the shortcomings of national, poorly coordinated and sometimes contradictory
1344 policies.

1345

1346 The EPP stresses the need for a comprehensive settlement of the Cyprus question based on UN Security
1347 Council resolutions and on the principles on which the European Union is founded; it welcomes the
1348 renewed commitment of political leaders on both sides to a negotiated solution and supports the ongoing
1349 direct negotiations between the leaders of the two communities in Cyprus and will accept any agreement
1350 reached by them provided that it is in conformity with the principles on which the EU is founded, including
1351 the four fundamental freedoms, and that it is accepted in a referendum. The EPP calls on Turkey to
1352 facilitate a suitable climate for negotiations by withdrawing Turkish forces and allowing the two leaders to
1353 negotiate freely their country's future.

1354

1355 **In our neighbourhood.** The European neighbourhood stretches from the Mediterranean countries and the
1356 Black Sea region to the eastern neighbours and Russia. The EU creates a significant security impact at the
1357 global level by projecting its own model to other regions bordering the EU. It is the meeting point of
1358 various religions and the stage of intractable conflicts and socio-economic and political grievances. Illegal
1359 immigration, illicit arms and drug trafficking as well as international terrorism are some of the challenges
1360 that face the Mediterranean.

1361

1362 This is the reason why we would like to enhance cooperation with our neighbouring countries. Therefore
1363 the EU Neighbourhood Policy, in the interests of the EU and our neighbouring countries, has to be

1364 strengthened and the uniqueness of each country has to be taken into account. A stronger connection of
1365 these countries to the EU would also broaden the area of stability and security around the EU. EU
1366 objectives for the Neighbourhood Policy are to avoid new dividing lines and to strengthen prosperity,
1367 stability and security in the region. However the Russia–Georgia conflict demonstrates that there is a
1368 security vacuum, especially in the eastern neighbourhood, and an urgent need to reconstruct Europe’s
1369 security architecture. The EU realises that its goals and those of Russia are not always in harmony.
1370 Therefore an open and realistic debate with Russia should be developed over priority issues, such as
1371 stability beyond the EU’s eastern borders, energy security and international tasks that require Russia’s
1372 involvement. It is important that, in our dialogue and cooperation with our eastern neighbours, we keep
1373 up initiatives that have already produced results such as the Black Sea Economic Cooperation and the
1374 Regional Cooperation Council. The EPP supports the priorities set out in ‘Barcelona Process: Union for the
1375 Mediterranean’. The Mediterranean should become an area of common economic development,
1376 improved political and cultural exchange and shared political purpose.

1377
1378 **The world.** Until recently we were under the illusion that our historic attainment of perpetual peace was
1379 spreading as an unstoppable force outside our borders. The awakening has been rude: terrorism in the
1380 name of Islam brought bloodshed to London and Madrid, to New York, Islamabad, Marrakech and only
1381 recently to Mumbai. In the last seven years, 25 European States have been engaged in Afghanistan, in a
1382 military operation that is getting deadlier by the day with no end in sight. The endless Israeli-Palestinian
1383 conflict keeps fuelling anti-Western feelings not only in the Muslim world but also in the Muslim
1384 communities of Europe. Iran continues to undermine the Nuclear Non-Proliferation Treaty and to develop
1385 long-range missiles that could reach or even strike our continent.

1386
1387 The stronger involvement of the EU in international crisis prevention and conflict solution is very
1388 important. One of Europe’s strengths is diplomacy which enjoys high levels of credibility and trust in many
1389 parts of the world. Europe should use these strengths to try to contribute to stabilisation in the Near and
1390 Middle East and help bring peace to these regions. Peace and stability in the Middle East would also help
1391 to overcome tensions between Western and Islamic countries. The EU carries the responsibility together
1392 with the US, Russia and the UN to revive the plans for the ‘road map’.

1393
1394 The EU and the US share common values and interests. We in the EU have therefore, with our partners, to
1395 fight for and strengthen freedom, democracy, human rights, the rule of law and the rules of the market
1396 economy. The new US administration will give us the opportunity to review and re-assess the main
1397 priorities of common EU–US concern and to find ways in which our reinforced transatlantic partnership
1398 will tackle the new global challenges. Also, the EU must engage in an open and honest manner with the
1399 emerging economic superpowers but, at the same time, it must scrutinise all of their actions on the
1400 international stage. The experience and prestige the EU has achieved over the years must be transformed
1401 into a leading role in world affairs – our authority, for example, in dealing with climate change is
1402 recognised internationally and is indisputable. Europe, therefore, has an important role to play in re-
1403 defining the rules and norms of international affairs for the 21st century.

1404
1405 There are close to 30 million EU citizens living and working outside the EU. As we expect these citizens to
1406 fulfil their obligations in their country of origin, such as paying property taxes, it is only fair that these
1407 citizens be able to exercise their democratic right to vote in European elections. The EPP believes that the
1408 EU should act to facilitate voting in European elections by EU citizens living abroad.

1409

1410 **EPP priorities on foreign policy**

1411

1412 The Lisbon Treaty makes a common foreign policy more effective and citizens are looking forward to it:
1413 the EU must not be the 28th foreign policy option of European diplomacy; the EU must become the
1414 proposal-making actor, the one which *formulates* and *coordinates* the implementation of a common
1415 foreign policy strategy, and *speaks* with a single European voice. The envisaged *High Representative for*

1416 *Foreign Affairs and Security Policy* who will be also Vice-President of the Commission and President of the
1417 Foreign Ministers Council, will bring greater coherence and will underpin our common foreign policy
1418 approach. The starting point must be an agreement on a *European agenda*: while leaving aside
1419 unforeseen crises, we must identify all of our common foreign policy priorities and objectives.

1420
1421 **First objective:** *developing a firm and deeply rooted transatlantic relationship.* Transatlantic relations are a
1422 cornerstone of our external policy and steps should be taken to strengthen them. At the same time, we
1423 should deal with our American friends as *equal partners*. Even though the priorities of the EU and the US
1424 are not necessarily the same, we must stand side-by-side and jointly manage our common foreign policy
1425 challenges, such as the spreading of democratic values and the suppression of fundamentalist terrorism.
1426 Moreover, the EPP must continue to foster its fruitful relations with like-minded political parties and
1427 organisations in North America, who share our values, since this will reinforce, on a *political level*, the
1428 transatlantic partnership.

1429
1430 Cooperation in energy security issues is one of the most important pillars of transatlantic relations.
1431 Cooperation with the US administration is necessary, particularly with regard to issues where transatlantic
1432 differences have existed, such as the role of the International Criminal Court, energy security and climate
1433 change. The US should treat all citizens of EU Member States equally when it comes to the visa regime, on
1434 the basis of full reciprocity.

1435
1436 A functioning and competitive transatlantic market must be achieved by 2015 in the context of greater
1437 involvement of the US Congress, the Canadian Parliament, the European Parliament and the national
1438 parliaments.

1439
1440 **Second objective for the next five years:** *to consolidate the European peace area.* The EU's zone of peace,
1441 democracy, security and respect for the rule of law, human rights and the territorial integrity of each
1442 country must spread outside the EU, to countries in Eastern Europe and the Caucasus. At the same time, it
1443 is the Union's responsibility to implement a comprehensive and viable policy towards Russia. The EU has
1444 strong interests in good relations and a successful reform policy in Russia. Russia furthermore is a very
1445 important partner for the EU. This is the reason why we support a continuation and finalisation of the
1446 negotiations for a Partnership and Cooperation Agreement. The interests of Central and Eastern European
1447 countries must be taken especially into account. A partnership must include an open and critical dialogue
1448 on the development of democracy and the rule of law in Russia and, furthermore, the relationship of
1449 Russia with Eastern Europe and the Caucasus. Having learned from the experiences of the Cold War era,
1450 Europe maintains the principle that no powers shall seek spheres of interests of their own, but cooperate
1451 with the international community strictly on the basis of international law.

1452
1453 Peaceful coexistence with our non-EU neighbours is not sufficient – we must strive to live together in an
1454 area dictated by democratic principles and the rule of law. Recognition of borders, respect for national
1455 sovereignty and the territorial integrity of neighbouring countries, freedom to choose alliances, respect
1456 for the treaties on nuclear and conventional forces and the transformation of the OSCE into a real
1457 European security pact, must all be embraced by our non-EU neighbours. Also, the negotiations on a new
1458 framework agreement between the EU and Russia must be balanced and mutually beneficial, while
1459 securing the EU's interests.

1460
1461 In the light of this objective the EU must come up with a real neighbourhood policy. This policy should not
1462 offer the same degree of partnership to all of our neighbours: Belarus and Morocco for example have few
1463 problems in common. But many common principles could be formulated in a Neighbourhood Charter:
1464 peaceful relations based on the rule of international law, respect for each other's independence, respect
1465 for good neighbourly relations, reciprocity of commitments and implementation of mutual agreements in
1466 compliance with international law. The Barcelona Process–Union for the Mediterranean and the Eastern
1467 Partnership constitute appropriate frameworks for this new policy.

1468

1469 **Third objective:** *to fight every kind of terrorism.* We believe in the peaceful coexistence of cultures. We
1470 would like to strengthen cooperation with Muslim countries in order to increase their trust in Western
1471 cultures and traditions. This is the reason why we should also be more open and willing to deal with
1472 existing democratic traditions in the Arabic world. Europe respects all religions and beliefs that respect the
1473 fundamental human rights of the individual. Together with its allies, Europe is fighting against
1474 fundamentalist terrorism and al-Qaeda extremism whose primary victims are the Muslim people
1475 themselves. We are well aware of the damage done in the West by the systematic confusion between
1476 fundamentalist terrorists on the one hand and mainstream Islam on the other. We must put all of our
1477 efforts into isolating religious extremists from Islamic communities and societies and from moderate
1478 Muslim political regimes. At the same time, the EU must have a clear policy and push for the two-state
1479 solution to the Israeli-Palestinian conflict while maintaining the security of Israel. It must also have a clear
1480 policy with Pakistan, a key actor in the Afghan conflict. The fight against terrorism must include operations
1481 within the EU's borders against political terrorist organisations like ETA and PKK.

1482
1483 **Fourth objective:** *to prevent the start of new cold wars.* If we are not careful, the second half of the 21st
1484 century may resemble the second half of the 20th, in other words a fragile balance of terror between
1485 opponents commanding apocalyptic weapons. But there will be one major difference: this time, not only
1486 two worldwide actors will be involved, in control of themselves and of their allies, but a range of actors
1487 that are often threatened by internal instability and complex regional factors.

1488
1489 Thus, the EU must call for the strengthening of the fundamental treaties on the non-proliferation of
1490 weapons of mass destruction and promote agreements that will secure regional balances. This implies
1491 that the EU will dare to invite itself to all disarmament negotiations.

1492
1493 **Fifth objective:** *to improve the conditions for sustainable globalisation based on the rule of law, effective*
1494 *multilateralism and free trade.* Strengthening the WTO is of fundamental importance for global prosperity
1495 and helps to defuse conflicts based on diverse national economic interests. The EPP strongly supports a
1496 successful conclusion of the Doha Round negotiations and calls on other developed and advanced
1497 developing partners to contribute towards an ambitious, comprehensive and balanced agreement. The
1498 EPP considers that the removal of barriers and enhanced market access worldwide should be
1499 accompanied by strengthened efforts for more effective international regulatory cooperation. Putting the
1500 International Labour Organisation on an equal footing with other international organisations should help
1501 to shape globalisation and to spread benefits to the most vulnerable people and countries.

1502 Post-Cold War international institutions have been up to the task but they are ill adapted for the
1503 challenges of the new century. It is in this field that European soft power is most credible. The EU should
1504 have two guiding principles in this process: 1) to restore the full legitimacy of international organisations
1505 which, for the moment, do not take sufficient account of the new democratic and economic power
1506 struggles; and 2) to reinforce these organisations as well as international agreements on new worldwide
1507 challenges. Agreements are needed on the better functioning of international financial markets,
1508 environmental protection, the management of migratory flows, the handling of precious resources like
1509 water, energy and rare commodities, the management of new information technologies, common ethical
1510 rules for scientific research etc.

1511 **Sixth objective:** *to intensify global development cooperation.* Based on the principles of human rights and
1512 good governance, fighting poverty and supporting economic and social development in Africa as well as in
1513 the less-developed countries in Asia and Latin America will be an important task for the coming years. All
1514 EU Member States have promised to spend 0.7% of their GNP by 2015 for development cooperation.
1515 Sustainable globalisation must include all countries and provide opportunities for all peoples.
1516 Environmental and health policies as well as policies for better education and the development of physical
1517 infrastructure are all areas where the EU could make substantial contributions to a better world. The
1518 partnership of the EU to our neighbouring continent Africa should be more effective and strengthened.

1519 **Seventh objective:** *to strengthen international organisations* in particular the UN as it has the highest
1520 legitimacy to address and solve global problems. We appeal, therefore, for a stronger and more efficient

1521 UN. We furthermore would like to see a more effective multilateralism, which more intensively includes
1522 emerging nations and developing countries. The IMF should also be strengthened as it contributes to
1523 more stability and security in international financial markets. The role of the World Bank, which should
1524 also be strengthened, will be essential to help developing countries through the crisis.

1525 **EPP priorities on security and defence policy**

1526 It is the moment of truth. As far as military matters are concerned, the most obvious duplication is not
1527 between the NATO and EU headquarters but between our own national armies. European countries spend
1528 \$250 billion, in other words, half of the American military budget, to finance 27 armies, 23 air forces and
1529 20 fleets without being able to send more than 2% of their troops into combat: rarely has the cost–benefit
1530 efficiency ratio been so low for such an important issue. Currently, national armies are organised
1531 according to very dated ideas and structures and have weapons that are designed to face a military
1532 situation that existed 50 years ago. Yet they were unable, for example, to line up a few dozen European
1533 helicopters.

1534 *Europe's biggest enemy is the misperception of time.* Fifteen years after the addition to the Treaties of the
1535 concept of a common foreign, defence and security policy, ten years after the Saint-Malo agreement and
1536 the appointment of the High Representative, and despite some substantial successes in Congo and in Aceh
1537 (Indonesia), each Member State keeps acting as if it still has twenty years to prepare for the complex
1538 military challenges of today's world.

1539 Thus, in order to give new impetus to the current European defence architecture, while respecting the
1540 non-alliance or neutrality of some Member States, the EPP proposes the establishment of a model of
1541 cooperation, which will include:

- 1542 1. *A political agreement with the United States* and our other allies on cooperation in political and
1543 military tasks and on the respective role of the EU and NATO in the present world.
- 1544 2. The *definition of the commitment on mutual solidarity* between all the EU Member States, as stated
1545 in the Lisbon Treaty. Furthermore, we would like to include European defence within political and
1546 military mutual assistance in close relations with NATO.
- 1547 3. The *updating of the 'European Security Strategy'* adopted in December 2003. We need to identify
1548 and deal with the common threats that we face, together.
- 1549 4. The identification by each Member State of the *industrial, technological, military, financial and*
1550 *human resources that they are ready to commit* in the framework of Community solidarity and the
1551 European Security Strategy.
- 1552 5. The *concentration of the EU's efforts to increase its own energy security.* The ongoing disputes
1553 between Ukraine and Russia are causing serious crises in the energy supply in many Member States
1554 and there is a growing need for a common European energy policy. Therefore the European Union
1555 must strengthen its crisis response mechanism to avoid the further negative consequences of a
1556 possible supply crisis, link the existing energy networks and promote new infrastructure investments
1557 that will enhance the diversification of supplies and sources and facilitate European solidarity in
1558 crucial situations.
- 1559 6. The commitment by every Member State *to pool future research on weapons and military*
1560 *technologies:* drones, satellites, soldiers' equipment, anti-missile systems and next generation major
1561 weapon systems (tanks, aircraft etc.). The *European Defence Agency* would naturally be the
1562 coordinator of these programmes.

1563
1564 **The EPP proposes:**

- 1565 - **to transform its neighbourhood policy into a Neighbourhood Charter;**
- 1566 - **to intensify action so as to put an end to all forms of global terrorism;**
- 1567

- 1568 - to strengthen the fundamental treaties on the non-proliferation of weapons of mass
1569 destruction and to engage in global disarmament negotiations;
1570 - to concentrate the efforts of the European Union in creating a common energy policy, in order
1571 to increase its own energy security and manifest solidarity, by strengthening the crisis response
1572 mechanism and the linkage of the existing and the building of new infrastructure that will
1573 enhance the diversification of supplies;
1574 - to improve the conditions for sustainable globalisation based on the rule of law and free trade
1575 and to intensify global development cooperation;
1576 - to strengthen international organisations and to work for more effective multilateralism;
1577 - to foster transatlantic relations and to reinforce them on a political level;
1578 - to give new impetus to the current European defence architecture with strong cooperation
1579 between EU and NATO.