

EUROPEAN PEOPLE'S PARTY

ACTION PROGRAMME 2004-2009

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INTRODUCTION

European unification is a major political project, one of considerable historic importance. All the Member Parties of the EPP have made substantial contributions to its design and development. It is an ambitious, challenging and unfinished project, but a promising one. The EPP has always supported it because it corresponds to its vision of modern society and because it enables the broadest possible application of the values to which it adheres.

An ambitious project. To bring together, without the use of force, different countries torn by secular antagonisms to achieve a peaceful community, assembled around shared values of human rights, peace, liberty, democracy, justice and solidarity but with respect for its members' diversity: this is what 50 years of European construction have made it possible to achieve. Europe is no longer divided, democracies have emerged where dictatorships governed during decades, the rule of law and the market economy have been extended to millions of Europeans, providing a development characterized by freedom, growing prosperity and human dignity. This achievement is unique in modern history.

The results of this bold undertaking may be imperfect, yet they have led virtually all the countries of Europe, and even those further afield, to join the EU or to apply for membership.

As a result, the standards of the European Union have been the template for countries transforming from dictatorship to democracy, from planned economy to open society.

However, the ambition does not stop there. It also seeks to make Europe into an influential player in organising a new world order based on the same values and the same principles which governed its own creation.

A challenging project. This ambition has developed empirically over an extended period of time, in line with the constraints and necessities of the moment, through crises and setbacks, and often in the face of indifference and even sometimes hostility – for it challenged many habits and upset plenty of vested interests.

This progression along the paths of what is possible has led us to an original but complex institutional structure based on the dual legitimacy of the Member States and citizens. In the three-way institutional balance (Commission, Council and Parliament), this legitimacy reconciles the common interest of the citizens with that of the states. This complexity, considered by many to be synonymous with a lack of transparency, has not helped to garner enthusiastic public support and has bolstered the resistance of reluctant governments.

All efforts at clarification should not work to the detriment of the institutional balance which safeguards the common interest.

An unfinished project. European integration began as a customs union, then became the common market, a market without internal borders, and finally an economic and monetary union. Today, it must meet different challenges: successfully enlarging to encompass all of Europe; mastering some negative impacts of globalisation; developing the EU into a political Union, in which democracy and social justice prevail; and making EU institutions closer to European citizens.

These challenges indicate that European integration must be deepened, because:

- the Union must strengthen its institutions if it is to continue pursuing or initiating common policies applicable to 25 or more Member States; and
- the Union must give itself the resources to speak with one voice and to act accordingly if it is to become an influential global player.

A promising project. Globalisation is not only here to stay but gives Europe and the rest of the world also new and better opportunities to meet the needs of the people. Europe must however be prepared to cope with

57 the new challenges. Globalisation needs constructive political actions and is a threat only to those who refuse
58 to respond to the new conditions. A fair participation of all countries following to criteria on which all agree
59 must be ensured.

60
61 Thanks to its new dimensions and renewed institutions, the European Union provides its Member States with
62 better possibilities to cope with world poverty, violations of human rights, international crime, terrorism,
63 pollution of the oceans, global warming, illegal immigration, air traffic chaos, congestion along
64 communication routes, monetary and financial instability, job insecurity and so forth.

65 66 67 68 **The EPP as the party of the European common good**

- 69
70 1. Shortly after World War II, the leaders of the Christian Democratic parties met to work on rebuilding a
71 devastated Europe. All of them supported, signed or had ratified the ECSC Treaty, the Treaty of Rome
72 and their subsequent revisions.

73
74 Whether in the Council of Ministers, the European Parliament or the national parliaments, the member
75 parties of the EPP have always been on the side of those who have moved Europe forward. Once the
76 outlook for enlargement became clear, they took steps to welcome their fellow parties from the candidate
77 countries and, in so doing, to remain an influential political force at European level. More recently, within
78 the Convention on the future of Europe all the representatives of the EPP, united by their Congress
79 Document adopted in Estoril, led the way in building up a consensus for a more effective, more
80 democratic, more transparent and more responsible Europe.

- 81
82 2. Our unwavering loyalty to the European ideal is the consequence of our attachment to the values of open
83 societies and of the Christian personalist movement¹. This cultural basis, a legacy of ancient humanism,
84 religious, in particular Christian-Jewish roots, the Renaissance, the Reform and the Enlightenment, has a
85 common denominator: a certain idea of the human being and the faith in his ability to shape the world.
86 Hence Jean Monnet's comment: 'We are not forming coalitions of states, we are uniting men'.

- 87
88 3. In this concept, which asserts the pre-eminent dignity of the person, human beings govern history; we are
89 not governed by it. We are not the pawn of blind forces; we participate in realising our destiny. As unique
90 beings, irreducible to any other, endowed with reason and will, our freedom constitutes independence, but
91 also responsibility. The 'person' is not the 'individual', but rather the specific human being involved in
92 family ties, the environment, the community, the country, and in respect of all of which he or she has both
93 rights and duties. We have duties of solidarity as well as the right to decide for ourselves with whom we
94 will choose the conditions for our self-fulfilment; the public authorities and the state only intervene on a
95 subsidiary basis to foster this development².

96
97 For ensuring the protection of cultural and ethical values of Europe, it is necessary to support the
98 preservation of the genuine national and cultural roots of the European nations, while at the same time
99 promoting tolerant cohabitation with other ethnical and national groups.

100
101 From this perspective, the state is at the service of the citizens, not the other way round. What underlies
102 the authority and legitimacy of the state, other than the voters' mandate, is its ability to serve or promote
103 the common good of the citizens. When Member States are no longer capable of fully performing this
104 function, then it is legitimate to call upon the Union to protect and serve the general interest of the people.
105 That will normally be the case when certain tasks can obviously be better performed by the EU
106 institutions rather than by the Member States.

¹ This movement draws its inspiration from the philosophy of J. Maritain, Gabriel Marcel, Emmanuel Mounier.

² For a more explicit formulation of these values and principles, see the 'Basic programme' adopted in Athens in November 1992.

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It would therefore be desirable – building on this common ground – for our party to be able to imbue this great collective project of European integration with meaning. In order to do that, we must develop a vision and a political project to meet the challenges of the 21st century. The aim must be twofold:

- Firstly, there must be an act of reconciliation, to repair the rifts which have been weakening our continent for a long time. Democratic reconciliation between the European institutions and the citizens must be followed by economic reconciliation between the spirit of enterprise and the spirit of sharing and solidarity, by placing the principle of responsibility at the heart of our social model; thirdly, there must be reconciliation between identity and plurality, between the idea of nation and the idea of Europe, by creating a European Union in the form of a federation of states and citizens. Lastly, there must be reconciliation between humans and nature, by commitment to a genuine policy of sustainable development, in terms not only of the environment but also of the population, society and the economy.
- Secondly, we must build safeguards for the human rights of tomorrow, by declaring it our constant ambition to reintroduce the human being as the means, end, object and subject of European policy. For this we should aim high: we need to exercise vigilance over bioethics and human integrity and dignity, be daring in protecting biodiversity, show the will to humanise globalisation with all that that entails, i.e. by mobilising against international terrorism, combating poverty and injustice and building a European governance which establishes environmental and social safeguards.

4. Based on this personalist and humanist vision of society, the EPP has based its political doctrine on four core themes:

a) The dignity of every human being

The paramount importance of the human person in our political doctrine leads us to promote the following at all levels of power:

- free creativity of citizens in all sectors of social life;
- the role of the family, education and community life;
- equality of women and men;
- protection of the rights of the child, respect for and protection of minority rights, solidarity with the most vulnerable and the elderly;
- respect for life in all its forms (including embryos) and at all ages;
- the establishment of ethical rules for the applications of research results;
- respect for human dignity in medical and genetic advancements. This is why the EPP is against euthanasia, eugenics, human cloning;
- we are equally against racism, nationalist ideologies, unrestrained individualism and a lax approach to ethics;
- at European level, the EPP recommends and favours the creation of an area characterised by freedom, openness, security and justice, and developing Union citizenship.

In order to achieve this aim, every member of society – men, women, healthy and disabled people, younger and elderly people – must be given the chance to participate with their knowledge, creativity and their personal inspiration in society and labour market.

b) Support of the family

Family - especially nowadays - when we are witnessing an apparent crisis of this institution, this unique tie of man and woman, deserves special and concrete support of society. What is good for the family is good also for society.

Family policy is the task of the Member States. Nonetheless the EPP will deal with it trying to give floor for mutual inspiration offering thus the best examples. Combating the demographic problems means helping the families.

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c) The social market economy

History and experience have shown that private initiative, free enterprise, competition, market discipline, opening up and free trade are the real driving forces behind economic progress. At the same time, the autonomy of trade union organisations and employers' organisations, free negotiations between them on working conditions and pay, and their involvement and responsibility in managing social protection systems have proved to be the best guarantees of social development, with the public authorities only intervening to establish the 'rules' and to ensure that the common good is respected in cases where it is clear that it has been neglected or ignored. In this context, it is also a question of subsidiarity. The freedom to do business and to obtain a fair profit from it gives rise to a duty of solidarity and justice towards other stakeholders in the enterprise, and to an obligation to obey the law and show respect for the environment and nature. The EPP believes that all participants in the economic life of a society have to do their best in order to make this world a better place to live, work and create prosperity for all. This can also be defined in such a way, that all areas of politics (especially economic and financial politics, training and education, employment and social policy) have the duty to collaborate in order to ensure the inner cohesion of our societies.

d) Building a decentralised federal Europe, international cooperation and multilateralism

Contrary to what one often hears on the subject, true federalism involves uniting countries in pursuit of commonly defined objectives, but at the same time respecting the diversity of their cultures, traditions and languages, and allowing them the broadest possible autonomy in how they choose to achieve these objectives.

Since the national framework alone is no longer in a position to be able to guarantee the common good of all European citizens in all its aspects, the EPP acknowledges and indeed advocates the need to strengthen the powers of the Union in accordance with the principle of subsidiarity, provided that the exercising of this power remains responsible, transparent and democratic. That is why the EPP supports a European Constitution (cf. Estoril).

Since peace in freedom and wealth is one of the very first key values that unites us, the EPP is in favour of international cooperation in all areas where it is useful for resolving conflicts via the peaceful channels of negotiation and arbitration. In the same vein, the EPP supports the strengthening of international institutions that strive to achieve greater peace, justice and solidarity in the world.

5. These leanings make us the leading opponents to all extremist parties which reject European integration, sacrifice the citizen to the sovereign nation, and foster intolerance, racism, nationalism, xenophobia and terrorism.

They also make us the main challengers of all those parties which trust the state and the public authorities more than they trust citizens: they discourage the latter's initiatives and see the principle of equality not as that of equal opportunities for all but rather as egalitarian situations that are imposed on citizens or are controlled.

Nevertheless, we should point out that other democratic parties have come around to our way of thinking, a development that can only be a positive one for those who long to see the values we promote become more widely accepted.

215 **PRIORITIES OF THE EPP FOR THE 2004-2009 LEGISLATIVE TERM**
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218 Attentive to the expectations of European citizens, the EPP identifies the following themes as their most
219 important concerns:

- 220
- 221 - securing jobs and incomes;
 - 222 - all aspects of threats to safety and health;
 - 223 - the possibility of all groups of society to take part in society, especially in the labour market;
 - 224 - environmental deterioration;
 - 225 - the consequences of bad government and socialist economic policies (inequality, poverty, epidemics, civil
226 war);
 - 227 - good governance by the public authorities, notably through the reduction of the tax burden crippling
228 entrepreneurial efforts.
- 229

230 In its desire to solve these problems with solutions drawn from its doctrine and values, the EPP has
231 structured its programme into five corresponding sections. They will serve to guide it during the next term of
232 the European Parliament, in which its goal is to remain the leading political force and thereby be able to
233 direct the Union's action.

234

235 Not all the measures advocated by the EPP in the five chapters fall under the purview of the Union. Some
236 fall exclusively within the remit of national or regional governments. We have kept them in our programme
237 because in several Member States, European elections are held at the same time as national or regional
238 elections and because voters' party allegiance is determined by that party's policies regardless of the level at
239 which the policies are implemented, provided that these are coherent. Furthermore, it will be much easier to
240 coordinate national policies at European level if all the member parties of the EPP defend the same
241 orientations at all levels of power.

242

242 **CHAPTER I. A DYNAMIC, COMPETITIVE, SOLIDARITY-BASED AND JOB-GENERATING**
243 **ECONOMY**
244

245 *To share wealth equitably, it must first be created. Adam Smith*
246

247 **Section I. A dynamic economy in an increasingly changing world**
248

249 Our major challenge for the years to come will be to transform the newly enlarged Europe into a world
250 leading competitive economy, at a time when the economic environment is going through radical changes in
251 the framework of globalisation. It is important to underline that globalisation has been sought and created by
252 nations coming together, deciding to open up and jointly addressing common challenges. Within the space of
253 50 years, globalisation has generated a six-fold increase in gross world product while during the same period
254 the world's population has increased by a factor of two and a half.
255

256 For countries that are preparing for and adapting to globalisation, it is a very effective instrument of
257 development, while countries unwilling or unable to do so face a future of stagnation and decline. The
258 economies of Central and Eastern Europe must emerge with the economies of Western Europe. Together we
259 will form the world's largest market. The fast growing economies of the new Member States, together with
260 the effective implementation of the single market and the Monetary Union, will create a new dynamism. The
261 opportunities for growth, investments and labour are great. The euro will bind the economies closer to each
262 other and increase competition and European entrepreneurship.
263

264 But taking up this challenge will not be easy. Europe today is experiencing considerable difficulties because,
265 while changes of the economic environment are fast, political reactions are slow and resistance to change is
266 fierce.
267

268 To overcome these obstacles, the EPP wants to combine the powerful forces of private competition, the
269 opportunities of a more flexible society and the positive aspects of social and regional cohesion.
270

271 With a few variations by country, the performance of the European economy when it comes to growth and
272 employment remains rather disappointing overall. We are not doing as well as the United States, China and
273 many other OECD countries. There is a need for more flexible job markets, continuous education that will
274 support job mobility and reduction of the cost of employment. The technology gap between ourselves and
275 our leading rivals is not closing - on the contrary! It is now high time for Member States, if at least they have
276 not done so to date, to concentrate on structural reforms and to better co-ordinate their economic policy,
277 along the lines of the Lisbon Process, in order to fully capitalise on the benefits resulting from the creation of
278 the Monetary Union and the enlargement of the single market.
279

280 The timely implementation of the 'Lisbon strategy', which seeks to make Europe the world's most
281 competitive knowledge economy, is an utmost priority. Considering the resistance to the necessary structural
282 reforms a clear roadmap with strict deadlines at every step is required to ensure the completion of the process
283 by 2010 and to boost economic recovery in Europe.
284

285 Secondly, we want to help overcome the difficulties of the 'Lisbon process', which concerns all areas of
286 society: labour market, social security, education policy, research and innovation, economic policy. We are
287 convinced of the aim to make Europe the most competitive knowledge economy in the world.
288

289 The solution does not lie in the artificial survival of non-competitive industries, in protectionism and self-
290 sufficient withdrawal, or in the use of intervention and public aid. It consists in adapting to the new
291 conditions of the world market, which can only be achieved under optimum conditions and with maximum
292 success by liberalising initiatives and energies in an adequate framework. Only through the creation of new
293 enterprises or new products new sustainable jobs will be created. The public authorities, and more
294 particularly the Union, will have to create the general fiscal, financial and social conditions that foster start-
295 ups, research and investment.
296

297 The new wave of enlargement affords Europe unprecedented opportunities for development: following the
298 example of previous enlargements, the economic benefits of such a development will outweigh the costs of
299 solidarity and cohesion.

300
301 More specifically, the EPP undertakes to support:

302
303 1. Completion of the single market

304
305 The elimination of checks and controls at internal borders has not put an end to the compartmentalisation of
306 national markets. Numerous regulatory obstacles remain, putting the brake on improved productivity,
307 mobility and lower costs, and thus on investment. This is particularly true of the whole service sector, and
308 especially financial services, energy, transport, telecommunications, business services, construction, air
309 traffic, private pension funds, drug industry, and the biotechnology industry.

310
311 We call for the countries that so far have not taken action to do so in order to make Europe more
312 competitive. The European Commission must give priority to implement the single market in all these areas.

313
314 2. Lower taxes aimed at promoting economic development.

315
316 A high level of taxation is a serious handicap for the creation of wealth because it discourages private
317 initiatives, stifles innovative investments, dampens the engagement of new labour forces. Therefore, as a first
318 priority, the EPP will recommend a reduction of the general taxation level, which is much higher in Europe
319 than in all other dynamic countries in the world and particularly in East Asia.

320
321 Keeping this objective in mind, Member States should seek to coordinate their taxation policy in order to

- 322
323 - ensure a smooth operation of the single market
324 - avoid irrational distortions of trade and incentives to fraud
325 - improve by synergy the global impact of their fiscal measures
326 - encourage cross-border activities

327
328 In particular, on the EU level, the EPP will work for reasonable coordination of indirect taxation and tax
329 bases, while leaving taxes not relevant for the single market to the discretion of the Member States.

330
331 The EPP will defend the adoption of a definitive VAT system based on “the country of origin” principle and
332 will oppose the Commission’s new approach aimed solely at improving the interim system.

333
334 We will also promote a consolidated corporate tax base for those companies incorporated under the
335 European company statute. Normally, the proceed of this consolidated tax should be accrued to the Union’s
336 budget and so reinforcing the own resource system of the Union.

337
338 As to the taxation of the savings income, the EPP will continue to support the approach proposed by the
339 Commission and approved at Feira by the European Council. With a view to preventing capital flight, the
340 adoption of a directive must be subordinated to the adoption of measures of equivalent effect by several
341 countries outside the Union.

342
343 3. Improvement of the regulatory environment: make it easy to do business and set up a business in Europe

344
345 The EPP wants to provide European business with an environment that facilitates economic activity and
346 enables it to face competition in the global economy. Excessive administrative requirements kill new
347 company formation and prevent existing ones from concentrating on their activity. Companies need
348 qualitative legal and financial frameworks to be competitive. To this aim, we need to:

- 349
350 + in accordance with the general aims of the European Union, as laid down in the Treaty as well as in
351 the coming European Constitution, eliminate those subsidies and regulatory arrangements that create
352 distortions in the markets and discourage private initiatives;

353

- 354 + systematically assess the impact of legislation in terms of costs to companies and employment;
- 355
- 356 + minimise red tape and excessive administrative requirements;
- 357
- 358 + encourage company start-ups and facilitate access to various modes of venture capital financing;
- 359
- 360 + guarantee proper access to financing for SMEs under the Basle II agreement;
- 361
- 362 + effectively protect the intellectual property of European companies by finalising a new Community
- 363 patent that is less costly, more accessible and legally more secure.
- 364

365 4. Create a level-playing field for company law

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367 Company law today is essentially based on national legislation, which varies widely. Because of these legal
368 discrepancies, some companies are unable to take advantage of the size of the single market whereas others
369 enjoy excessive advantages. The EPP favours:

- 370
- 371 - the new initiatives for common rules on company law aimed at creating a level playing field for European
- 372 companies; they are to replace the 5th directive, for which no common position could be found;
- 373 - the establishment of common rules for private limited companies to enable SMEs to operate throughout the
- 374 Union, whilst maintaining their nature as a private limited company.
- 375 - the drive to improve employee ownership in companies via participation models in the shares of their
- 376 companies.
- 377

378 5. The role of Small and Medium-sized Enterprises (SMEs)

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380 Two-thirds of private-sector jobs are in Small and Medium-sized Enterprises, and SMEs create virtually all
381 new jobs. Their flexibility and dynamism make them a key factor in a country's economy being healthy.
382 Consequently, every effort must be made to encourage their creation, their growth, their financing and their
383 transfer.

384

385 As in all areas, the EPP also sees in the area of SMEs the person at the centre. It is the entrepreneur who
386 takes on the risk of starting a company, explores an idea and sees if it works. Europe lacks this kind of
387 pioneering entrepreneurs and the EPP will do everything it can to re-ignite this spirit of entrepreneurship on
388 the continent where entrepreneurship was invented.

389

390 Creation: the entrepreneurial spirit cannot be created by decree. Nonetheless, a cultural climate in which
391 initiative, risk-taking and performance are made socially attractive and financially rewarding can encourage
392 its emergence. Many regulations adopted with the best of intentions actually discourage people and
393 entrepreneurship in this regard. Therefore, EU policies should be implemented with a strict minimum of
394 regulations.

395

396 Growth: the attention of SME managers must not be absorbed by excessive red tape resulting from invasive
397 regulation. The European institutions will have to ensure that this is the case when they consider new
398 regulations.

399

400 Financing: those who finance or invest in an SME normally face a higher risk than they do in a powerful
401 multinational. That is why public authorities must promote venture financing system more suitable to this
402 type of activity.

403

404 To close the equity gap in Europe a new culture of private business investors, the so-called Business Angels,
405 has to be fostered and supported.

406

407 Transfer: Many SMEs disappear with their founder because the conditions governing transfer generally bear
408 a heavy tax burden or are legally discouraging. The Union should encourage the Member States to amend
409 their legislation to encourage the continuation of these activities.

410

411 Culture: It is difficult to start up a business again after a bankruptcy, since even "honest failures" easily get
412 branded. This is detrimental to innovation and entrepreneurship. For this reason, first of all support and
413 consultancy services should be used to try to ensure that viable business can be saved or restructured in time.
414 Unviable businesses, however, should disappear from the market.

415

416 Infrastructure: The most important help for SMEs but also for all enterprises in general, should come from
417 the public side in the field of infrastructure, especially in the area of logistic. SMEs and all enterprises in
418 Europe pay a heavy price for the low and slow pace of the opening up of the markets. In the field of services,
419 there are still too many monopolies.

420

421 SMEs and local government: SMEs have to enjoy a fruitful and positive partnership between the local and
422 regional authorities and the SME communities. In order to improve this SMEs should be granted full access
423 especially to services for citizens and authorities on the municipality level where sadly enough SMEs still
424 today are crowded out by state, city or other public bodies being subsidized by the tax payer. Whenever
425 reasonably possible the EPP favours the private provision of services and manufacturing of goods.

426

427 SMEs and Entrepreneurship among immigrants: The EPP strongly supports Entrepreneurship among
428 Immigrant communities in Europe as a way to integrate this often poorer section of the European population.
429 In this respect, the EPP strongly supports the effort of the EU Commission to foster entrepreneurship among
430 immigrants and minorities in Europe.

431

432 SMEs and the EU Institutions: In order to implement these policy priorities the EPP strongly favours that one
433 of the commissioners of the next Commission will be charged with SME affairs. On the same token the EPP
434 will put all its influence behind the establishment of an SME sub-Committee in the European Parliament.

435

436 6. Balanced Budgets

437

438 In order to achieve the goals of economic growth and job creation, a foremost condition is macroeconomic
439 stability. In this context, governments should stick to the provisions of the Stability and Growth Pact. Greater
440 coordination of national governments' economic and budget policies in the framework of the Stability and
441 Growth Pact is needed to guarantee the credibility of the Euro and realise our ambitions.

442

443 There is no better social benefit than to give the opportunity to all to work and earn a living, ensuring, at the
444 same time, a better income distribution and the solidarity with those in need.

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446

447

447 **Section II. A competitive economy**

448

449 In a world open to trade, competitiveness is central to economic performance. Competitiveness is determined
450 by both the cost of factors and their productivity. It is possible to remain competitive even with high wages if
451 these are offset by high rates of productivity. This is why making the Union a centre of excellence is among
452 the EPP top priorities for Europe: we want a strong research sector focussing on new technologies as well
453 highly educated and qualified European citizens. Productivity can be enhanced for instance by more efficient
454 production and marketing, which requires open markets and competition as well as new entrepreneurship.
455 But the key factor remains the human being, his/her motivation, qualification, creativity and ability to
456 innovate.

457

458 Technological research gives higher value to products and services. It is an important challenge for the
459 European economy to be better at making commercial use of new innovations. Costs can be affected by the
460 improved operation of the factor market and by adjusting tax policy.

461

462 1. Priority on research and innovation

463

464 Europe still lags behind when it comes to research, in particular because research is increasingly costly and
465 interdisciplinary. Nonetheless, Europe's main weakness lies on one hand in the fragmentation and scattering
466 of its efforts and on the other hand in the difficulty to go from the stage of research to that of industrial
467 innovation. Here is one area where the European Union can undoubtedly add value:

468

- 469 - by coordinating programmes to avoid redundancy;
- 470 - by ensuring collaboration between research centres to increase degrees of specialisation;
- 471 - by encouraging the movement of knowledge and researchers;
- 472 - by ensuring cooperation between industry, researchers and educational establishments throughout the
- 473 Union in order to foster scientific innovation and industrial development.

474

475 + Consequently, the EPP staunchly defends all measures aimed at creating an effective European research
476 area, as envisaged in Lisbon at the suggestion of the Commission.

477

478 + The European Union devotes only 1.9% of its GDP to R&D, compared with 2.7% in the United States
479 and 3% in Japan. Our effort should be brought up to the same level as that of our competitors. It is to be
480 kept in mind that R&D is only fostering inventions and not guaranteeing innovation which is the real
481 driving force of growth and progress in the economy. To achieve that available venture capital level has
482 to keep pace with R&D spending.

483

484 + The EPP shall pay strong attention to facilitating knowledge and research in the new Member States and
485 avoid massive 'brain drain' from them.

486

487 + It is an overly short-term calculation to focus research on production for immediate commercial ends. The
488 future must be prepared by supporting long-term basic research because that is what paves the way to the
489 applied technologies of tomorrow. However, it must be borne in mind that the interval between an
490 invention and its industrial application is shrinking - all the more justification for appropriate Community
491 financing for basic research. Considering the high cost of basic research and its low immediate financial
492 payoff, international cooperation amongst the major powers should be encouraged.

493

494 + The ability to take the front lead in the field of new technologies will be crucial for Europe's
495 competitiveness in the coming years. The EPP will give strong emphasis to research in information &
496 communication technologies as well as to the industrial exploitation thereof. It also believes that the
497 potential of the biotechnology sector must be further explored: new technologies, and in particular
498 biotechnology, have the potential of providing sound solutions to environmental problems and of
499 contributing to more sustainable development. These technologies could also improve the availability and
500 affordability of food, thereby improving the level of human health. Concerning the ethical limits of
501 human genetics, the EPP's position is based on the decisions of the EPP Congress, "A Union of Values",
502 in 2001 in Berlin, in particular on the reference to the respect for the dignity of the human person.

503

504 2. High quality education and training: focus on knowledge

505

506 + For citizens to better prepare for and adapt to the needs of an economy based on high technology, we
507 must obtain more from our education and training systems. This will allow citizens to play a full part in
508 the knowledge society. Pursuing this goal means we must:

509

- 510 - promote life-long learning and effective access to quality training;
- 511 - ensure that education and training opportunities correspond to the needs of the labour market;
- 512 - pursue and expand the e-learning programme to encourage familiarisation with and education in
513 information technologies; these offer a strong means for social inclusion, e.g. for disabled people;
- 514 - improve the teaching of languages as well as encourage citizens to learn two or more languages and study
515 at least half a year abroad, as it was foreseen in the European Directive adopted in this regard; it is
516 essential, in this context, to overcome administrative, social security and other obstacles to mobility and
517 to recognise qualifications and diplomas;
- 518 - promote the spirit of initiative and independence starting from the first stages of education;
- 519 - develop cooperation with non-EU countries in higher education and make our higher education system
520 more open and competitive on the international level;
- 521 - guarantee equal access to basic education for everybody and a framework of higher education for those
522 who are qualified to benefit from it.

523

524 In this way, we will improve the quality of the education of young people, the adaptability and
525 “employability” of the working force - including the elder generation - and thus contribute to reducing
526 unemployment. Education is in the view of the EPP at the cross-roads of human development, economic
527 competitiveness and social progress. We will therefore strongly favour the further development and relevant
528 adjustment of the major European Union education programmes (Socrates, Tempus, Leonardo da Vinci,
529 Youth, Erasmus Mundus and eLearning) both in terms of their objectives and of the means allocated to them.
530

531 + The Member States and the social partners will be encouraged to anticipate industrial and social changes.
532

533 3. Lowering costs 534

535 The most effective way to cut production costs is to ensure that in each factor market healthy competition is
536 ensured and the free movement of factors throughout all the Union's countries is guaranteed. A special effort
537 must be devoted to such service sectors as energy, transport, telecommunications, banking, and insurance,
538 where the lack of legal harmonisation causes markets to remain compartmentalised and preserves dominant
539 positions to the detriment of buyers.
540

541 The EPP favours in particular:
542

543 · the completion of a strong pan-European capital market to reduce costs for business capital in a rapidly
544 changing financial environment; this area requires specific attention, because the liberalisation of financial
545 markets must go hand in hand with the protection and adequate information of investors, particularly small
546 ones; we will push for the Financial services action plan to be fully completed by 2005;
547

548 · the development of a new generation (3rd Generation) of telecom, which is essential for Europe's
549 competitiveness. Yet, it is equally important to allow a smooth consolidation of market operators, as well as
550 the secondary trading of 3G spectrum. It will also be necessary to set rules for sharing mobile net
551 infrastructure. Regarding the Internet, it is of major importance to ensure security on the net, the lack of
552 security being at present a major obstacle to the development of e-business;
553

554 · the complete liberalisation of the energy market, with a harmonised framework introducing a level
555 playing field in the electricity and gas sectors, whilst guaranteeing a suitable public service;
556

557 · the provision of effective competition in the field of transport, e.g. through the establishment of a railway
558 market in the Union by opening national railway networks and facilitating the access of new railway
559 undertakings.
560

561 Europe needs to have lower public spending as a part of the economy. This way the opportunities of the
562 private sector can increase. It is better to have a high degree of tax-payers than a high degree of taxation. In
563 order to facilitate and attract more investments and labour supply Europe needs to lower its total tax burden.
564 Taking control over public spending is the most important means of making Europe more competitive.
565

566 Special attention must be paid to the labour market, which is a factor unlike the others because its cost is
567 partly a form of income. This income must be maintained, if not increased, because it supports overall
568 demand, consumption and even savings. On the other hand, the EPP is in favour of reducing fiscal and
569 parafiscal levies on the labour factor which, in Europe, excessively increase labour costs, thereby
570 condemning numerous inadequately skilled workers to unemployment. Furthermore, there are still too many
571 rigidities in the labour market which unduly slow the harmonious adaptation of labour supply and demand,
572 and which lower the 'employability' of a large share of the working population. This concerns especially the
573 working time. Since Europe is the continent with the world's shortest working time, greater flexibility should
574 be introduced in how this time is set. In the first place, it is the responsibility of the social partners to cope
575 with those problems.
576

577 Greater geographical and professional mobility of workers could lead to improvements in the way the labour
578 market functions. Transferability of social rights via the Member States and mutual recognition of
579 qualifications and training could also play a role. Therefore the EPP should strive to improve portability of

580 social rights throughout Europe by strengthening the functioning of the “internal market” in this area and by
581 allowing real mobility of citizens.

582

583

584 **Section III. A solidarity-based economy**

585

586 Alongside free enterprise and market discipline through competition, solidarity is at the heart of the
587 European social model: solidarity between citizens, solidarity between regions and between Member States.

588

589

590 **A. Solidarity between citizens**

591

592 - The EPP maintains that economic dynamism and adapting to the global market are compatible with social
593 responsibility because the latter is a factor for social peace and political stability, without which there can
594 be no sustainable economic progress

595

596 - It is important to draw a distinction between the two areas that make up social responsibility: social
597 security based on contributions, public finances or private insurance mechanism on the one hand, and
598 public financed social assistance on the other. The EPP strives for maintaining solidarity while asking for
599 more private responsibility at the same time. Social security systems must be more open to individual
600 differences. This is especially important in order to make it possible to work in different countries during
601 different periods in life. Where possible, fair and undisturbed competition will benefit quality and make it
602 easier to meet individual needs.

603

604 - Whilst being free to exploit all opportunities available to them for their personal self-fulfilment, citizens
605 are also entitled to public support and national solidarity in times of hardship due to illness, accident, old
606 age and other risks which can result in a reduction of their resources and those of their family.

607

608 - All the Member States have established social security systems which are more or less developed and
609 more or less balanced, but many of them are currently in trouble due to longer life expectancy, the
610 demographic imbalance, medical progress and rising health spending, urban pollution and the stress of
611 modern life, the break-up of family ties, and the deficiencies of education systems.

612

613 - Social inclusion: we want to provide a quality of opportunity for the European citizens. The main
614 directive to our policy is no-one held back and no-one left-behind. The EPP will put special emphasis on
615 programmes aimed at combating social exclusion, which affects ever more people nowadays. The EPP
616 shall pay particular attention to:

617

618 · the needs of young people facing difficulties in economic and social integration, e.g. by introducing
619 relevant measures into the Youth programme. It also believes in the social and educational role of
620 sport, as a factor of integration and participation in social life, as a means of promoting tolerance,
621 good sportsmanship, the respect for rules and differences, as well as of combating exclusion,
622 xenophobia and racism. The Treaty should explicitly recognise the specific nature of sport with
623 regard to the social role it plays.

624

625 · the promotion of high quality of life for the elderly, an over-proportional share of which, suffer from
626 isolation and poverty;

627

628 · the promotion of equal opportunities for women and the elimination of all types of discriminations.

629

630 - Reforms must be undertaken on an urgent basis to keep social security systems financially viable in the
631 long run and socially acceptable. In general, the reform of social protection and social security systems
632 has to take account of all characteristics resulting from the new patterns of work. By making solidly
633 supported recommendations, the Union could make governments' work easier. Adopting the methods of '
634 benchmarking' and 'peer pressure' promotes the solutions best suited to each country. Without setting out
635 an exhaustive list, these measures could involve:

636

- 637 - a clear separation of the provisions of health cares and their financing, in order to get more transparency
- 638 and allow for a better allocation of public funds, while keeping a high level of health care in Europe.
- 639 Citizens should not be prevented from using the best and cheapest health cares just for the sake of
- 640 protecting national institutions;
- 641 - promoting policies to increase employment, thus widening the base for social security contributions;
- 642 - changing the way contributions are calculated;
- 643 - providing fiscal encouragement for supplemental retirement savings;
- 644 - eliminating fiscal and parafiscal measures that discourage employment in general and employment of
- 645 women in particular;
- 646 - ensuring greater participation in the job market by people over the age of 55, with the gradual elimination
- 647 of early retirement schemes and voluntarily adjusting the retirement ages;
- 648 - progressively replacing free derived rights in the field of social welfare by contributory personal rights;
- 649 - assuring that not only the younger generation has to pay the price of changing the system. Balance needs
- 650 to be found between generations.
- 651 - forming budget reserves to cushion the future inadequacy of the general pension system;
- 652 - as for health care, improving the possibilities of patients being treated outside their own borders could
- 653 improve the quality of treatment and the opportunities of personal choice. In any case the covering of
- 654 costs by the respective insurance system of the patient must be ensured. Such a reform would give better
- 655 room for entrepreneurship and competition and can contribute to the formation of a world leading
- 656 European health sector.
- 657 - since Europe is the continent with the world's shortest working time, greater flexibility should be
- 658 introduced in how this time is set; this should be negotiated freely between the social partners. However,
- 659 traditional Sunday regulations in some European countries shall be guarded. Experiments attempted in
- 660 some countries have clearly shown that an imposed reduction in working time without a reduction in
- 661 income was, in the long run, counterproductive in terms of competitiveness, growth and employment.
- 662 - special attention should be paid to demographic changes in Europe and, in particular, the ageing of the
- 663 population. Not only does this present difficulties in terms of funding pensions (see our suggestions
- 664 below), but it also raises the question of social dynamism. On the long term, immigration is no sufficient
- 665 solution to cope with the consequences of demographic changes. The EPP believes that we have to create
- 666 a "children-friendly" environment, which helps young families to have as much children as they wish.
- 667 This could possibly be achieved by means of tax incentives and/or effective family allocations, as well as
- 668 by providing an adequate environment in terms of child-care services and flexible organisation of
- 669 working time, enabling a better combination of professional and family life. Finally, many citizens want
- 670 to continue working beyond retirement age. We should not discourage this trend, which must remain
- 671 entirely voluntary. It is in society's interests to draw upon the experience of the many contributions that
- 672 elderly but nonetheless able and motivated people can make to the common good.

673 **B. Solidarity between regions and Member States**

674
 675 Reducing the development gaps between regions and Member States plays a key role in strengthening the
 676 political stability, social and territorial cohesion of the Union. For the forthcoming 2004-2009 legislative
 677 term, the Union will face the difficult challenge of having to reconcile two basic imperatives: solidarity with
 678 the new Member States, which are much less-developed; and keeping the support for the structural
 679 development of the disadvantaged regions of the Member States. In this context, the EPP reiterates its
 680 continuing commitment to the policy of cohesion.
 681
 682

- 683
- 684 - More specifically, it will ensure better coordination of national policies and the European cohesion
- 685 policy, with assessment not solely based on statistical data, throughout the territory of the enlarged Union.
- 686
- 687 - It will approve sufficient financial resources to adequately support structural development in the least-
- 688 favoured regions.
- 689
- 690 - It will closely supervise the implementation of these policies and the optimal use of the funds devoted to
- 691 them.
- 692

693 It will ensure that other EU policies such as Industrial, Trade and Enterprise Policies etc. are not at
694 divergence with EU Regional Development Policies and that all EU Policies consider at all times their likely
695 impact on balanced regional development.
696

697 It will ensure that the policies of EU Member State Governments at national level in areas such as economic
698 and social development must be compatible with broader EU policies of Regional Development.
699

700 It will ensure that all EU Regional Development Policies, such as Structural Funding, aim not only to address
701 economic and social imbalances between the regions but also seek to improve equal opportunities for men
702 and women, and marginalized groups such as the elderly, the disabled and other groups, in the regions.
703 Sustainable communities in marginalized regions require structures to facilitate balanced professional and
704 family life. Such services might include childcare services, or services for the disabled.
705

706 To achieve our goals of cohesion in the enlarged - and less homogeneous - Europe, we will have to
707 simultaneously be more efficient and exhibit stronger solidarity. We will have to:
708

- 709 - prepare to redefine the financial table of Community support in favour of better European cohesion: a re-
710 evaluation of current actions and budgets is required. In this context, the future cohesion policy addressed
711 to the less favoured regions should take into consideration their socio-economic situation. The future
712 cohesion policy shall also be considered a horizontal policy of the European Union.
- 713 - define the framework and conditions for sustainable projects and the development of infrastructure,
714 promoting in particular interregional, trans-border and international cooperation on a legal basis;
- 715 - encourage the optimum use of regional resources; and
- 716 - eliminate factors which cause delays rather than simply correcting their effects.

717

718

719 **C. The role of public services**

720

721 The European social model is characterised by the major role of public services in satisfying fundamental
722 needs, education, professional training, health, public transports, communication, culture etc. It is wrongly
723 assumed that public services must be owned or operated by the State or the Government. The nature of
724 public services lies in the fact that they must be open, available and affordable to all citizens without
725 discrimination.
726

727

728 Comparisons by countries and recent experiences show that the best public services can also be run by
729 private companies or NGOs operating under the supervision of a public authority. What is of paramount
730 importance is the quality, cost, continuity, availability and affordability of services offered to the public. That
731 is why the EPP believes that:

732

733 a. concerning private companies:

734

- 735 - public services must remain subject to the European rule of competition and to public scrutiny;
- 736 - their managers must be held accountable for their performance whose standards should be established in
737 cooperation with the public authority;
- 738 - obligations or constraints imposed on them for reasons of general interest, could be financially
739 compensated.

740

741 Public services guarantee that all territories are being covered and that people get equal access to them. They
742 have to be modernised and restructured in order to adapt to an open and competitive economy.
743

744

745 b. concerning Non-Governmental Organisations:

746

747 The EPP supports the commitment of NGOs, especially in the field of social services. Their work is
748 important for the inner cohesion of our societies. Therefore, the EPP welcomes the recognition of those
749 organisations by the European Constitution.

748

749

750 **Section IV. An economy that generates jobs**

751

752 A. Spirit of reforms

753

754 The level of unemployment in Europe is still too high. This situation is socially intolerable and financially
755 unsustainable. Next to the high level of taxation, skill shortages especially in the lower segment of the
756 workforce, are one of the key factors in this struggle. Improving the job prospects for the unemployed will be
757 one of the EPP's priorities. In a knowledge economy this requires investment in human capital. Passive
758 support measures are often merely costly stopgap measures, as is the creation of non-essential public jobs.
759 Rather we need more active systems which increase the employability of the unemployed.

760

761 Economic growth is essential in order to create new jobs. To achieve this aim, we need a society that is
762 prepared for new conditions and which is based on entrepreneurship in the broadest possible sense of the
763 word. In fact, many employees will need a great deal of entrepreneurial spirit. Therefore the motivation of the
764 employees, their education and training, their trust in a high level of social security and their feeling to be
765 part of their enterprise (by strengthening the social partnership) contribute as key factors to productivity.

766

767 Employees will work in much more flexible ways, concerning their daily or weekly working time as well as
768 during their life time working (periods of work are succeeded by periods of training, periods of leisure,
769 periods for family work and periods of social work), including sufficient childcare facilities and possibilities
770 for parents to both raise children and both have a career. Especially the social security systems have to adapt
771 to those new challenges, without giving up their most important points of stability: solidarity and viability.

772

773 It is essential that the transitions people make during their life course are facilitated. To this end, possibilities
774 have to be created which allow to switch between periods of work and periods of free time for instance for
775 parental leave, care leave, and in general for sabbaticals of periods of training and education. This will
776 improve flexibility on the labour market and productivity. The government can encourage these
777 arrangements.

778

779 One of the keys in the fight to raise employment levels in Europe is improving the role of women in
780 leadership positions in companies and as entrepreneurs in order to close the gender gap in the employment
781 and start up rates in Europe. It is our strategic aim to raise the employment rate of women in the next 10
782 years. The EPP strongly favours more action aimed at fostering entrepreneurship among women from the
783 European Commission and the Member States.

784

785

786 B Investing in human capital

787

788 The EPP states that the European employment guidelines should focus even more strongly on investing in
789 human capital in order to prevent unemployment or to increase the employability of the unemployed:

790

791 - These essentially involve efforts to train and retrain workers so that they have the new skills required by a
792 changing job market.

793

794 - The decision of employees to acquire new skills must have financial effects; concerning the unemployed,
795 there must be the possibility that their decision whether to take those efforts or not leads to consequences
796 concerning unemployment benefits.

797

798 - Curricula and teaching methods should be adapted to respond to the new challenges and greater
799 cooperation must be organised between education and the various sectors of the economy.

800

801 - Tax incentives must be provided for on-the-job training for young graduates, other starters or people
802 returning to their work place, and for their permanent recruitment.

803

804 - More proximity jobs have to be created in order to better serve people.

805

806 - A greater participation of women in the labour market should be encouraged by the elimination of
807 obstacles that prevent women from entering it.
808
809 Social partners will have to show responsibility when it comes to wage negotiations in order to ensure that
810 pay rises do not exceed the productivity gains achieved, nor seriously threaten the competitive position of the
811 economic sector concerned.
812

812 **CHAPTER II. RESPONDING TO EUROPEAN CITIZENS' GROWING NEED FOR SECURITY**
813 **AND SAFETY**

814
815 A growing need for security and safety is being felt in numerous areas: in the street, on the job and at home.
816 This also applies to both health and food.

817
818 **A. Improving the protection of European citizens**

819
820 Protection of the rights of citizens is at the heart of our democratic system based on the rule of law. The
821 Charter of Fundamental Rights incorporated into the Constitutional Treaty and the European legal system
822 provide citizens with additional protection, even against their own Member State. It concerns the citizens as
823 consumers, workers, retired people, patients, students, civil servants, but also as subjects of the Union, with
824 respect to the European administration and its agents.

825
826 The EPP wants the safety of citizens to be taken care of in the everyday life through the provision of better
827 health care, high quality food, high environmental standards and an efficient protection of their rights as
828 consumers.

829
830 **1. Consolidating and developing European citizenship**

831
832 The Maastricht Treaty established a European citizenship that allows European citizens to take part in local
833 and European elections outside of their country of origin, or to submit petitions to the European Parliament.
834 The inclusion of the Charter of Fundamental Rights into the Constitutional treaty will consolidate citizens'
835 rights. Our role will now be to ensure that these rights are duly implemented throughout the entire Union.

836
837 ***a. Accession to the European Convention on Human Rights and Fundamental Freedoms***

838
839 After European Union becomes legal entity it should accede to the European Convention on Human Rights
840 and Fundamental Freedoms and thus to the jurisdiction of the Strasbourg Court.

841
842 ***b. Clarifying the rights of citizens with respect to the European institutions***

843
844 Numerous and different administrative procedures, sometimes lacking of transparency, have been created in
845 recent years. The citizens cannot make sense of them any more. The EPP proposes:

- 846
847 - to institute a European legislation codifying the procedures to follow for the adoption, after consultation,
848 of various Community legislative acts;
849
850 - to quickly adopt the code of good administrative conduct as recommended by the Mediator. This code
851 will apply to all European Union institutions and must be accessible to the public.

852
853 ***c. Improving the handling of petitions and complaints***

854
855 Citizens have the right to submit complaints and petitions, but they are not able to exercise this prerogative
856 properly because of the complexity of the procedures, which vary from one institution to the other.
857 Consequently, the EPP proposes:

- 858
859 - promote an interinstitutional agreement on the handling of petitions and complaints;
860
861 - provide a better place on the agenda of the plenary sessions of the European Parliament for Mediator
862 actions and citizens' complaints and petitions.

863
864
865 **2. Legal protection of the European consumer**

866
867 The single market is designed to benefit not only companies but also European citizens as consumers. To
868 achieve this objective, it is vital to institute:

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a. A high degree of protection for the consumer at Community level

If the single market is to become a tangible reality for 470 million Europeans, consumers must be able to enjoy not only a broader choice of products at better prices but also improved protection as regards their economic and legal interests. To this purpose, the following is needed:

- At Community level, essential common rules and practices in the area of consumer protection must be agreed. The corollary to this is the necessary uniform enforcement of these rules.
- The distribution of accessible and relevant information must be guaranteed to enable consumers to make independent, informed choices.

But measures of consumer protection must be thoughtfully implemented and should maintain a right balance between opposite requirements such as employment and competitiveness. They should not degenerate into the bureaucratic nightmare of over-regulation.

b. Improving legal protection

To improve legal security, we must set up a legal system that everyone can understand and in which the applicable rule can be readily determined. A common body of laws already exists but its applications are not necessarily consistent. As a result, we are working to promote an integrated approach leading to a coordinated legislation, and to guarantee a minimum level of harmonisation in terms of procedures under civil law.

c. Access to justice

Systems of legal assistance exist in all the Member States as an essential principle of the rule of law. Nonetheless, their effectiveness must be improved, notably as regards cross-border disputes. Moreover, alternative systems of dispute resolution should be developed, such as arbitration or mediation (for example, via chambers of commerce), which often offer faster and less burdensome solutions.

3. Increasingly safe and healthy food: 'From farm to plate'

The recent series of food scandals has shown us the degree to which food quality is a concern of Europeans. The creation of the European Food Safety Authority in December 2001 was a first, important step in the right direction. Nonetheless, we believe additional measures are required.

a. Guaranteeing wholesome food throughout the food chain.

This is an absolute imperative implying compliance with strict standards. It requires a whole series of controls at all stages, from the stable to the market stall. To this end, the EPP proposes to:

- formulate stricter safety requirements;
- harmonise sanitary and phytosanitary measures throughout the enlarged Union;
- strengthen controls to limit contamination routes;
- institute and guarantee complete traceability;
- provide better information on the risks presented by certain foods for certain categories of consumers.

926 ***b. Combating animal diseases and preventing their reappearance***

927

928 - Preventing diseases assumes improved agricultural practices for raising animals intended for human
929 consumption: banning flours adulterated or made dangerous through the use of insecticides, pesticides or
930 antibiotics, prohibition on animal flours, etc. Improvement of bio-security together with a good treatment
931 of animals is a good way to eradicate animal diseases and avoid the appearance of new diseases in the
932 future.

933

934 - Controlling imports: controls at borders must be stepped up, and imports must be made subordinate to
935 compliance with standards on health, food safety and animal well-being.

936

937 - Improving transport conditions of live animals.

938

939 - Establishing country specific staging posts.

940

941 - Early warning systems must be created to avoid cases of contagion.

942

943 ***c. Promoting high-quality foods***

944

945 Besides safety, we also want quality. That is why the EPP favours measures to encourage high-quality
946 production and corresponding labelling, as already exists for organic products.

947

948

949 **4. Permanently improving health protection: meeting new public health challenges**

950

951 Today, the European population lives longer and has a healthier lifestyle than ever. Nonetheless, new health
952 risks are appearing. Increasing numbers of Europeans are suffering from lifestyle related diseases. In fact low
953 physical activity, unhealthy nutrition and consumption of tobacco and alcohol are amongst the main reasons
954 for health problems today. The increasing number of psychiatric illnesses also demands more attention to
955 better mastering of life, early intervention and prevention of stress and other factors influencing both
956 physical and psychiatric health. Improving public health must include a broad agenda addressing prevention
957 of unhealthy lifestyles and giving incentives to support better nutrition and more physical activity in addition
958 to more traditional medical care. The EPP wants European citizens to be provided with the highest possible
959 level of health protection and will primarily push for:

960

961 - the implementation of the new EU-Public health programme. This new Community action programme
962 replaces the fragmented European Health initiatives (combat cancer, health promotion, prevention of
963 AIDS, prevention of drug dependence, health monitoring, prevention of injuries, pollution-related
964 diseases) by a more integrated approach, oriented mainly towards the prevention of diseases. In
965 compliance with the principle of subsidiarity, this strategy, which runs until 2008, includes three main
966 strands of action: improve information and knowledge of public health data, increase the capability of
967 responding rapidly to threats to health and address the various health determinants.

968

969 - the establishment of an effective monitoring and co-ordinated response capacity at the EU level to tackle
970 disease threats and outbreaks. Diseases and epidemics, which do not stop at national boundaries, as well
971 as possible deliberate health threats (bioterrorism) pose new challenges for public health. Communicable
972 disease is a clear example of the need to enhance the role of the EU in this field. The creation of a
973 European Centre for Disease Prevention and Control would improve networking between national data-
974 processing structures and national reference laboratories, enhance the monitoring of infectious diseases
975 and contribute to an effective co-ordinated response to health threats. The EPP underlines that, if
976 according to the principle of subsidiarity, the Member States are responsible for the health policy, it
977 considers that the control of infectious diseases can only be exerted on a transnational base.

978

979 ***a. Guaranteeing the mobility and well-being of an ageing population***

980

981 We want elderly European citizens to experience their retirement as a period of well-being, not one of pain
982 and isolation. To this end:

983

984 - greater attention must be paid to age-related illnesses such as Alzheimer's disease, Parkinson's disease,
985 arthritis, and rheumatism, which particularly affect elderly people;

986

987 - ensure that transport facilities and public buildings in general are equipped to facilitate the mobility of
988 elderly and disabled people.

989

990 ***b. Improving the quality of life of people suffering from mental illnesses***

991

992 The burden of mental health conditions cannot be underestimated. In the employment field, evidence shows
993 that among the disabled population, people suffering from mental illness have the lowest participation rate in
994 the labour market. Efforts to bring mental health issues into the mainstream of a health-conscious society
995 must be pursued. Member States must provide information on the most effective treatments and continue
996 actions initiated to combat stigma and social exclusion against people suffering from mental disorders.

997

998 ***c. Supporting research into rare illnesses and the medicines to treat them***

999

1000 There is little research into rare illnesses because it is not profitable due to the small size of the market. The
1001 EPP will support more research in this area at European level.

1002

1003 ***d. Developing medicines taking into account patients' age***

1004

1005 In the same way that illnesses vary from one age group to another, medical needs and medicines related to
1006 them differ. Medical treatment cannot be uniform. The EPP feels there is a need to encourage the
1007 development of medicines appropriate to patients' age, in particular as regards infants and the elderly.

1008

1009 ***e. Preventing and combating pollution-related illnesses, especially in urban areas***

1010

1011 The environment has fostered the development of new illnesses, like allergies and asthma, which must be
1012 actively treated, but which must also be the subject of prevention efforts.

1013

1014 ***f. Influencing the key factors of health by encouraging prevention***

1015

1016 The promotion of health is aimed at raising the awareness of the population and enabling it to exercise
1017 greater control over the key factors of health. It is therefore necessary to:

1018

1019 - publicise basic hygiene measures, and combat tobacco addiction and the abuse of alcohol. Attempts to
1020 legalise drugs should be rejected;

1021

1022 - organise a massive information campaign to disseminate good food practices, the aim being to target
1023 children at school and elsewhere;

1024

1025 - promote the prevention of illnesses, specifically through vaccination, safety precautions and systematic
1026 checks of vulnerable populations.

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B. Guaranteeing security and safety in our societies

Terrorism and organised crime unacceptably compromise the security and stability of our societies. It is our duty to safeguard Europe's strong tradition of the rule of law and to firmly combat these phenomena at all levels. We must step up our efforts not only within Europe, by increasing the effectiveness of police and judicial cooperation, but also beyond, to the extent that crime pays no heed to borders.

1. Combating terrorism and organised crime

Terrorism – coming from outside or within the European Union- is one of our fellow citizens' leading concerns. Europe has been combating terrorism in all its forms for many years. The EPP will adopt a firm attitude on preventing and combating terrorism, wherever it comes from. Our priority is the rapid establishment of the European arrest warrant and of extradition procedures between Member States. However, the EPP advocates that the financing of terrorist groups must also be attacked. Cooperation must be deepened, especially in terms of sharing intelligence.

This effort must be in line with the general reinforcement – at all levels – of fighting terrorism and organised crime. Therefore, the EPP specially recommends the following measures:

- Efforts to locate individuals and organisations that collaborate with and support terrorism financially must be stepped up.
- The necessary legal basis must be included in the Treaty enabling the European Union to freeze assets and block the arrival of funds to individuals, groups and organisations involved in terrorist acts.
- Cooperation with third countries must be stepped up in terms of combating terrorism and international organised crime.
- A common definition of terrorism must be incorporated into the *acquis communautaire*. This definition must be shared by all Member States, including those who have joined the EU in 2003.
- Adequate measures to compensate the victims of terrorist and criminal acts must be instituted.
- Democratic oversight of the agencies charged with combating terrorism and crime must be instituted.

2. Common Asylum and Immigration Policy

Due to large inequalities in our world, many people feel forced to migrate. Millions of people are even forced to flee by war or crises, or natural disasters. Europe can of course not absorb the global challenges of forced migration by just allowing more people in. Despite their different backgrounds and status, immigrants are often mixed together and labelled as a problem. This is far from accurate. For each of the three categories of immigrants - temporary refugees, asylum applicants and economic immigrants, Europe needs clear standards.

Dealing with this complex situation demands a broad policy, including involvement in development and conflict prevention.

Immigration and asylum policies must address both the fundamental human rights of those in need of protection and the fact that Europe attracts people with no legal basis for protection, or people coming with hostile attitudes as parts of even organized criminal activities. Managing immigration flows and at the same time fighting illegal immigration requires:

1082 a. **A coordinated management of the Union's external borders** must be organised against all threats. It is
1083 the task of national governments to control and protect their portion of the Union's external borders.
1084 However, they should all apply the same accepted rules and adopt the highest common security standards.
1085

1086 This will require investment in equipment and human resources. The Union should assist the new candidate
1087 countries in case they would need assistance. Taking into consideration that the control of external borders is
1088 a factor of major importance to all Member States, the possibility of European solidarity for the related
1089 charges should be explored. A European corps of border guards consisting of joint multinational teams could
1090 perform surveillance functions on external borders if and when such functions cannot be performed at a
1091 sufficient level by Member States alone.
1092

1093 The early warning system must be expanded and improved. The extension of external borders as a result of
1094 enlargement must not lower the level of security between EU Members States, nor hamper the expansion of
1095 the area of Schengen Agreement towards the new Member States, provided that they respect the
1096 requirements of Schengen Agreement, and free movement of their people.
1097

1098 The creation of a Corps of coast-guards could be considered in order to improve the fight against criminal
1099 behaviour at sea, as well as to ensure the security of European coasts against environmental (oil pollution
1100 and unauthorised degassing) and terrorist threats. For all such threats that do not stop at borders, co-operation
1101 at the European level is absolutely necessary.
1102

1103 b. **Common asylum policy:** we need a harmonised and transparent asylum procedure limited in time to 6
1104 months. Clear rules will guarantee the legal security for asylum-seekers whilst enabling Member States to
1105 exercise their option to reject applicants who are not entitled to refugee status according to the Geneva
1106 Convention.
1107

1108 Readmission agreements must be rapidly concluded between the European Union and third countries to
1109 guarantee rapid repatriation of rejected asylum-seekers.
1110

1111 c. **A European immigration agency must be created.** Its task will be to coordinate efforts made by
1112 Member States in providing protection for refugee and legal asylum seekers. The EPP wants to underline the
1113 importance of sharing burdens when receiving UN Quota Refugees so that Europe can show appropriate and
1114 necessary solidarity. Since the last decade's mass refugee situations do not comply with the Geneva Refugee
1115 Convention of 1951, a new pan-European Convention on asylum seekers should be negotiated.
1116

1117 d. A European policy for the **integration of legal immigrants** intended to reconcile the legitimate aspiration
1118 to a better life with the reception capacity of the Union and its Member States should be established.
1119

1120 e. **A consistent approach must be devised for the issuance of visas** and effective management of
1121 migration flows must be organised. The establishment of precise and common rules in these fields is an
1122 essential prerequisite to effective action against illegal immigration.
1123

1124 f. It is necessary to ensure the **co-operation of countries of origin and transit** in joint management of
1125 immigration flows and in border control, for which appropriate European Union resources must be allocated.
1126

1127 g. Those who engage in **human trafficking and economic exploitation of immigrants** must be diligently
1128 prosecuted and severely punished. The EPP favours harsher penalties for traffickers and better protection for
1129 victims and witnesses.
1130

1131
1132 It is the view of the EPP that Europe profits from an increasingly open and free world, where goods and
1133 services, together with investment capital are crossing borders. Even people in business or as tourists can
1134 move relatively freely across continents. These freedoms are benefits that should be achievable for more
1135 people in our world. Alongside the need to handle proper asylum seekers and refugees forthrightly the
1136 massive pressure on the asylum institute requires efficient and clear systems. Today many abuse the asylum
1137 institute simply because they want to seek a better future. The EPP wants to reform the different immigration

1138 policies among the member states so that a new common policy can clarify the real options for those who
1139 want to seek employment in Europe.

1140

1141 · A special mechanism under the new common immigration policy should be established regulating legal
1142 entry for job seeking immigrants. This entry track to Europe is to be controlled by the demand of labour.

1143 · Embassies of member countries and common delegations abroad should be given the possibility to deal
1144 with applications for both asylum and work permits to Europe.

1145 · Special efforts must be made to clarify the status of those thousands of unregistered immigrants in many
1146 member countries, in cooperation with origin countries.

1147

1148 Integration

1149

1150 Newcomers to Europe, who have come here as asylum seekers, refugees or job-seeking immigrants, should
1151 be encouraged to build their future in Europe through their own efforts. Integration must be a domestic task
1152 for the member states. Given the free and open market of our Union, it is necessary that the members adjust
1153 their social assurances so that negative inequalities are prevented and develop their integration policies in all
1154 fields.

1155

1156 · Integration programs should also help people into active participation rather than passive beneficiaries.

1157

1158 · Rapid settlement of refugees and asylum seekers is also important to prevent the unfortunate effects of
1159 living in ghettos.

1160

1161 The EPP favours access of immigrants to the labour market and the integration of immigrants especially in
1162 the entrepreneurship and SME sector. Owning their own small business and have own income opportunities
1163 will allow real positive contribution of immigrants to the economy and society of their EU host country.

1164

1165 **3. Combating and preventing organised crime, human trafficking and sexual exploitation**

1166

1167 Each year 700,000 women and children cross the EU's borders illegally, falling victim to labour trafficking
1168 or sexual exploitation. To go after the traffickers who belong to cross-border criminal networks,
1169 collaboration between police forces and intelligence services must be intensified throughout the Union. The
1170 EPP favours harsher penalties for traffickers, and better protection for victims and witnesses in legal
1171 proceedings.

1172

1173 The EPP requests the EU Commission and the Council to provide sufficient financing for the fight against
1174 illegal migration and the human trade and for support for the victims through different budget lines available
1175 and the programmes of the EU.

1176

1177 The EPP stresses the necessity to intensify the information and the awareness of the population in the
1178 accession countries, in the EU States and in the third countries affected, as part of a common strategy for the
1179 prevention of the human trade and of illegal migration, in order to be able to give effective information on
1180 the causes, the dangers, and the impact of illegal migration and of the human trade and on its strategies in the
1181 fight.

1182

1183 **4. Corruption, clientelism**

1184

1185 Special attention should be paid to corruption, clientelism, and bonds between organised crime and the state
1186 structures.

1187

1188 **5. Strengthening police and judicial cooperation**

1189

1190 The institutional framework must be simplified in the areas of freedom, security and justice. The EPP is in
1191 favour of rapidly creating a Community framework for all aspects of police and judicial cooperation, whilst
1192 at the same time respecting subsidiarity. More specifically, the EPP proposes to:

1193

1194 - create a single and consistent structure for all aspects related to justice and home affairs;

- 1195
1196 - bring Europol within the Community structures: Europol, which provides for police cooperation, should
1197 be integrated into the Union's institutional framework to guarantee suitable political oversight by the
1198 European Parliament and judicial oversight by the European Court of Justice;
1199
- 1200 - Eurojust, a system of collaboration between public prosecutors from the different Member States, should
1201 have its own legal personality. Its tasks, once established, should be broadened to serve as a real
1202 communication and early-warning network, with the aim to create a European Public Prosecutor;
1203
- 1204 - establish a well-defined and stable cooperation framework between the agencies participating at European
1205 level in the fight against terrorism and organised crime;
1206
- 1207 - harmonise the definition of serious and trans-national offences: common definitions in all the national
1208 legal systems, in particular regarding terrorism, trafficking in drugs and people, cyber-crime, money-
1209 laundering, and racism, will enable the establishment of Community standards, notably as regards the
1210 severity of penalties. Similarly, the notions of territoriality and jurisdiction in the trial of such offences
1211 must be harmonised;
1212
- 1213 - pursue and improve the training of public prosecutors and investigating magistrates in all fields related to
1214 judicial cooperation in criminal matters in the new Member States;
1215
- 1216 - guarantee appropriate training of crime prevention units and increase their funding.
1217

1217 **CHAPTER III. SUSTAINABLE DEVELOPMENT**

1218
1219 We only have one earth, so it must be managed in such a way that it remains liveable for all those who
1220 inhabit it now and in the future. Natural resources are not unlimited and some economic activities can
1221 weaken natural balances, even though mankind has so far shown the capacity of dealing with natural
1222 scarcities. Just as we sought to reconcile the market and solidarity, free enterprise and social justice, in the
1223 concept of the social market economy we aim to reconcile economics and ecology in the concept of
1224 'sustainable development' which we were amongst the first to use, and which today is universally accepted.

1225
1226 We now want to integrate this concept into all the Union's policies: environmental policy, policies on
1227 agriculture, fisheries, transport and energy, as well as regional policy and even foreign policy. This way we
1228 can create a "European Agenda 21" as a follow up of global summits in Rio de Janeiro (1992) and
1229 Johannesburg (2002). The opportunities linked to the progressive introduction of a long-term
1230 environmentally and socially responsible model of economic growth are immense, as this process will
1231 stimulate the development of research, new industries and technologies, and hence, enable the creation of
1232 new jobs. But the concept of sustainable development cannot simply be imposed from the top. Over-
1233 regulation would kill the process.

1234
1235 In this respect the job creation potential of environmental technology has to be mentioned. In fact Europe is
1236 ahead in environmental technology and should stay ahead.

1237
1238 **Section I. Climate change**

1239
1240 Global warming caused by emissions of greenhouse gases is probably the most critical challenge to the
1241 world community when it comes to taking care of our environment. Although long disputed, global warming
1242 caused by emissions of greenhouse gases has now been scientifically established. Accordingly, its disruptive
1243 impact on the climate (floods, storms, periods of prolonged drought, melting of glaciers, rising sea level and
1244 so forth) are no longer questioned.

1245
1246 At the end of the Kyoto Protocol - which it managed to save - Europe undertook to reduce greenhouse gas
1247 emissions by 8% by 2010. The EPP has voiced its clear support for this agreement. It has played a key role in
1248 the adoption of various directives for this purpose, specifically legislation on fuels and biofuels, cleaner and
1249 more fuel-efficient engines, emissions of industrial gases, and so forth. The EPP would like to go further: it
1250 wants a comprehensive policy with a strict European road map for a rapid and concrete implementation of
1251 the Kyoto Protocol, and which would include the launch of an initiative to make Europe the world leader in
1252 the fight against climate change.

1253
1254 Achieving that goal requires setting an example, starting with scrupulously overseeing the transposition of all
1255 these directives into national law, then monitoring their enforcement at national level, and finally ensuring
1256 that violations of this legislation are properly punished. In this respect, a genuine system of environmental
1257 responsibility should be established, based on the 'polluter-pays principle', with appropriate controls,
1258 penalties and compensations.

1259
1260 **Section II. Other forms of pollution**

1261
1262 Besides greenhouse gases, there are many other pollutants that affect the air, water, oceans, soil and forests.
1263 There are already numerous national legislative and regulatory provisions which either ban or limit their use.
1264 Several directives have already been adopted at European level seeking to harmonise these various
1265 provisions. Much work remains to be done, because the list of products which are hazardous or harmful to
1266 the environment is continually growing as new products go onto the market that are reputedly less expensive
1267 or more effective.

1268
1269 The EPP will give special attention to:

1270
1271 - the improvement of the environmental quality in urban areas, in which 80% of the population now lives and
1272 is subject to continuous nuisances (noise, air pollution, traffic, litter, allergies and stress) affecting public
1273 health. Enormous efforts are needed in terms of fuel quality and clean engines and investments necessary to

1274 reduce vehicle consumption. Public awareness campaigns must be carried out to promote the use of
1275 renewable energies.

1276

1277 - the preservation of the EU's biodiversity for the future generations: The new Member states will
1278 significantly increase the number of unspoiled landscapes, forests and wetlands.

1279

1280 **Section III. Polluters must pay: effective ecological accountability**

1281

1282 Citizens have a right to a healthy environment. Yet, the numerous environmental catastrophes of the last
1283 years constitute a dramatic violation of this right. For such cases, we still lack a system that ensures that the
1284 polluter is penalised and the damage repaired and/or compensated. In this respect, the EPP wants a genuine
1285 system of environmental liability, based on the 'polluter-pays principle', to be established with appropriate
1286 controls, penalties and compensations.

1287

1288 **Section IV. Generating clean energy**

1289

1290 Virtually all greenhouse gases are produced by the use of fossil fuels. Their consumption is rising by one to
1291 two percent each year. This is not sustainable on the longer term. At this rate, we will never be able to fulfil
1292 the commitments made in Kyoto. Europe must urgently re-examine its energy supply system. Our room of
1293 manoeuvre is nevertheless restricted. Consequently, we must:

1294

1295 1. develop, on a sound economic basis, the production and use of renewable sources of energy, which
1296 should rise from today's 6% of total energy consumption to 12% by 2010. Research and investment
1297 efforts should be increased in such fields as solar energy, wind energy, geothermal energy, biomass and
1298 so forth;

1299

1300 2. promote energy efficiency, whose advantages are clear. Energy efficiency should be integrated in the
1301 Lisbon process by adopting a target for an annual reduction in final energy intensity and should also be
1302 integrated into other policy areas when adopting new EU legislation.

1303

1304 3. in the strict respect of national choices, maintain the use of nuclear energy in the electricity market, since
1305 it produces no greenhouse gases. We must guarantee that all the Member States apply the highest safety
1306 standards, in terms of both operating and decommissioning nuclear power stations. Nonetheless, we shall
1307 intensify research into both high secure management of nuclear waste and the development of new types
1308 of reactors which are more efficient, safer, and less costly. The substitution of nuclear energy by
1309 alternative sources should be envisaged. Competition between energy forms has to be based on fairness
1310 and therefore EU competition and state subsidies regulation have to be applied on all form of energy
1311 production.

1312

1313 **Section V. A more effective and better-balanced transport policy**

1314

1315 Economic integration and the trend towards specialisation are increasing intra-Community trade, bringing
1316 about a growth in transport activities exceeding that of production. Effective and rapid transport links have a
1317 major impact on the competitiveness of the European economy.

1318

1319 In the transport sector, road transport has experienced the most spectacular growth because it is the most
1320 convenient and least costly (since external costs are not properly prized) and it has improved living
1321 conditions and contributed to a competitive economy. But road transport also has the highest level of harmful
1322 impact: pollution, noise, congestion and accidents (50,000 deaths a year, plus injuries). The development of
1323 air transport has, in turn, run up against the problem of congested air routes, resulting in costly and harmful
1324 delays and queues. The safety at sea and the efficiency of maritime transportation have to be improved, along
1325 the lines proposed by the European Commission.

1326

1327 The EPP's priorities for transport are:

1328

1329 1. extending and developing Trans-European Networks, with a view to eliminating all the bottlenecks and
1330 guaranteeing better interconnection of national networks. This must be done in a way that reverses the

- 1331 growing imbalance between regions and facilitates the economic development of peripheral regions and
1332 islands. The transport network of the new Member States must be brought to a high level and be duly
1333 connected to the existing network of the current 15 Member States.
1334
- 1335 2. closing the existing gaps in highway infrastructure in order to re-connect Central and South Eastern
1336 Europe to the rest of the continent.
1337
 - 1338 3. rebalancing in favour of modes of transport which cause less damage to the environment in particular in
1339 urban areas, while more long-distance transport of goods need to be transferred to environment respectful
1340 combined transport means (railways, inland navigation and coastal shipping). Such rebalancing will be
1341 encouraged by users picking up the tab for collective harmful effects and infrastructure costs.
1342
 - 1343 4. making the reform of European railways a number one priority for the next 5 years and turning this sector
1344 again into a productive force of the society. Restriction of ownership should be lifted and consolidation
1345 fostered. Safety standards should be enforced and the whole sector should be put under EU Internal
1346 market and competition legislation.
1347
 - 1348 5. opening up of national rail networks to the railway companies of other Member States;
1349
 - 1350 6. developing the network of waterways, especially in cross-border and island interconnections;
1351
 - 1352 7. promoting interoperability amongst all modes of transport;
1353
 - 1354 8. enhancing the safety of all modes of transport through a policy of prevention and stricter legislation, in
1355 particular for the transport of hazardous products;
1356
 - 1357 9. organising integrated air control at European level. The United States, which has denser and more intense
1358 air traffic than Europe, controls air traffic with 35% less manpower and better performance in terms of
1359 punctuality;
1360
 - 1361 10. handling relations with third countries at European level. Negotiating as a common front is a prerequisite
1362 to the effective implementation of single market rules.
1363
1364

1365 **Section VI. Viable and sustainable agriculture**

1366 The Common Agricultural Policy has made it possible to achieve quality food independence with
1367 remarkably stable prices.
1368

1369 At the same time, Europe remains the world's leading importer of agricultural products, whilst eliminating its
1370 own surpluses and reducing its export subsidies. European agriculture must continue its efforts to adapt. The
1371 Agenda 2000 is expiring in the year 2006. A priority for the EPP will be to implement, in line with the
1372 proposals of the European Commission, a long-term framework for a sustainable agriculture. European
1373 agriculture needs to meet a threefold challenge:
1374

1375 *An economic challenge:* strengthening its viability and its competitiveness, bearing in mind that prices on the
1376 world market bear only a distant relationship with their production cost.
1377

1378 *A social challenge:* improving the living conditions of agricultural workers, increasing the social mobility in
1379 the agricultural sector and opening up for new entrepreneurship, attracting new young farmers, in order to
1380 vitalize the rural economy.
1381

1382 *An ecological challenge:* promoting good environmental practices, maintaining biodiversity and preserving
1383 the eco-countryside, by taking measures concerning the prevention of land desertion and the management of
1384 already deserted lands, whilst at the same time providing healthy and high-quality products.
1385

1386 The EPP will see to it that the forthcoming reform of the CAP takes these three aspects into account.
1387

1388

1389 1. *An effective agriculture focused on new market demands*

1390

1391 - Having become more demanding, consumers will be able to pay more for high-quality products of
1392 guaranteed origin and source.

1393

1394 - The ability of European agriculture to furnish products for non-food use is considerable and largely
1395 unexploited. Biofuels, biolubricants, biosolvents, biodetergents and so forth are competitive once the
1396 price of a barrel of oil rises above \$30. All these products, being biodegradable, are environmentally
1397 friendly and will offer substantial markets in the future.

1398

1399 - Major progress in biotechnologies will affect modes of production by reducing chemical inputs such as
1400 fertilisers, insecticides and pesticides. This should be encouraged, whilst respecting the precautionary
1401 principle.

1402

1403 - Without compromising food safety, protect traditional trademarks and local brands.

1404

1405

1406 2. *Establishing a new overall policy for rural development: ensuring social cohesion in rural areas*

1407

1408 At present, 10% of the farm budget is devoted to rural development measures. The EPP believes this is not
1409 enough. We must strengthen the second pillar of the CAP and institute an overall policy of rural
1410 development. The main goals of an enhanced policy of rural development would be to encourage
1411 multifunctionality, family-owned businesses, employment and the preservation of the eco-landscape, and to
1412 prevent rural depopulation. Specifically, we must support young farmers, ensure training, continue to
1413 develop rural industries and promote investments in a better infrastructure in the countryside.

1414

1415 3. *Developing ecological agriculture*

1416

1417 Ecological agriculture is not one that resorts to the 'methods of yesteryear'. On the contrary, to take account
1418 of the environmental dimension of the future CAP measures will have to be taken for the sake of wholesome
1419 farm production, by investing in new or organic technologies and encouraging extensive methods. In
1420 addition, we must promote the role of farmers as protectors of the countryside and encourage them to
1421 actively preserve the rural landscape and biodiversity. The priorities are to:

1422

1423 - make it possible for farmers to competitively market ecological and environmentally friendly products on
1424 their own merits and qualities. The tax burden for farmers should make it possible to make innovations in
1425 the agricultural sector.

1426

1427 - promote research into ecological products and high-quality foods: research projects in agriculture can
1428 contribute to devising sustainable solutions for a reasonable use of the earth's natural resources and the
1429 development of environmentally friendly products. Proper management of these resources requires *inter*
1430 *alia* strengthening organic industries by bringing together the skills and know-how of various scientific
1431 disciplines. Agricultural research contributes to protection of the environment and the well-being of all
1432 European citizens;

1433

1434 - promote respect for animals: the promotion of animal well-being is not just an ethical imperative, it is
1435 also a guarantee of high quality, which is now increasingly in demand, and an important factor in
1436 competitiveness. Raising healthy animals is the best way to make animal products sustainable over the
1437 long term. The EPP favours special support for investments aimed at improving animal well-being, and
1438 insists that imports subordinate to compliance with fair standards in the countries of origin.

1439

1440 **Section VII. A common fisheries policy**

1441

1442 The fisheries sector is confronted with both severe environmental issues and difficult social and cohesion
1443 problems with unemployment growing. The current reform is unavoidable. Its overall objective is to ensure a

1444 sustainable existence of the EU fishery sector. The measures should be applied both for sea and inland (river
1445 and lakes) fisheries. The EPP will support the Commission's proposals aimed at:

1446

1447 - planning the rational management of resources reduced by fishing activities and finding a solution to the
1448 problem of accidental catches;

1449

1450 - adapting the 'relative stability' distribution mechanism to fisheries;

1451

1452 - modernising the fleet and adapting it to available resources;

1453

1454 - coordinating markets and resources by establishing consistency between access to resources and access to
1455 markets (the right to invest in third countries, free access to ports, the fight against illegal fishing);

1456

1457 - co-ordinating the CFP with the Union's foreign policy to optimise our global leadership position in the
1458 world by combining the commercial aspect with the foreign relations aspect. We must develop our
1459 fisheries treaties with third countries so that our fleet can continue to fish outside Community waters,
1460 while also ensuring that quotas negotiated do not put at risk the sustainability of fish stocks;

1461

1462 - gathering the maximum amount of reliable information on actual resources to guarantee their sensible
1463 management;

1464

1465 - promoting measures aimed at strengthening aquaculture.

1466

1467 **Section VIII. Sustainable, quality tourism**

1468

1469 Tourism accounts for five percent of employment in Europe and has a knock-on effect on other sectors of
1470 economic life. It is also an important factor of economic, social, cultural and political integration at EU level.
1471 In addition, tourism is growing steadily. For this reason, tourism potential must be dynamized by having the
1472 Union support action taken by the Member States, regions and local authorities.

1473

1474 It is an important task for the member countries to coordinate efforts aimed at quality tourism. Worthwhile
1475 results could be obtained more quickly by selecting and promoting best practices in the industry.

1476

1477 **Section IX. Establishing a European cultural area**

1478

1479 To permanently bring the peoples of Europe closer together and make it easier for them to understand each
1480 other, awareness of the wealth of their diversity needs to be supplemented by a deeper awareness of their
1481 shared roots by establishing a European cultural area, which is based on national cultures. By acknowledging
1482 and promoting Europe's cultural assets and specific values, this area based on diversity will foster dialogue,
1483 exchanges and artistic creation. The EPP wishes to single out a few priorities.

1484

1485 1. Extending the principle of qualified majority voting to the sectors of cultural policy. The codecision
1486 procedure normally implies a majority vote in the two institutions. This is not the case in cultural matters.
1487 This anomaly needs to be corrected.

1488

1489 2. Preserving Europe's cultural diversity, which constitutes its great wealth, by encouraging the preservation
1490 of cultures and languages and the specific nature of Europe in the media and cinema.

1491

1492 3. Recasting "Television without frontiers" into an EU-wide content directive. This programme must be
1493 further developed and adapted in order to better manage the circulation of audio-visual content across
1494 borders and to promote a strong and competitive European audio-visual industry. This reshaping should
1495 take into account technological and market changes. This would mean, on the one hand, the need for
1496 common European basic principles (human rights, protection of minors, etc) to be applied across all
1497 audio-visual content services, and on the other hand, the need to adapt or eliminate obsolete rules
1498 containing inappropriate levels of detail, which nowadays can no longer be justified (some advertising
1499 rules, mandatory quotas, etc).

1500

- 1501 4. Reconsidering the 'Culture 2000' framework programme. It has yielded good results but should be slightly
1502 modified to emphasise its operational character and gear it better to citizens' needs.
1503
- 1504 5. With regard to the media, the EPP sees pluralism and the independence of press, radio and television as
1505 extremely important. It defends the quality of public service, together with the private sector, with a view
1506 to providing objective, varied and pluralistic information which is mindful of the demands of democratic
1507 life, responsibility, protection of minorities and opposition rights.
1508
- 1509 6. The importance of culture in developing a European identity should be stressed. Cultural education
1510 should begin in school and can play a role in building up a sense of European civic spirit. The importance
1511 of exchange programmes for students, volunteers and teachers should also be underlined as ways to
1512 safeguard our common European cultural heritage.
1513

1514 **Section X. Permanently balanced finances for a stable currency**

1515

1516 The long-term stability of monetary union is not dependent solely on the action of the European Central
1517 Bank. Without the cooperation of the Member States in balancing their public finances, the bank's policy of
1518 monetary stability would be very restrictive. A good 'policy mix' implies fairly sharing the burden.
1519

1520 As the population ages, public pension schemes will absorb a growing share of national budgets or will be
1521 reduced to a socially unacceptable minimum.
1522

1523 That is why the EPP favours consolidating the Stability and Growth Pact through the most suitable method
1524 of giving it legal force. Lowering their level of indebtedness is how governments will regain room for
1525 manoeuvre in order to stimulate a weakening economy. More broadly, the Union's financial stability will be
1526 strengthened by the rapid implementation of the programme of structural reforms (the pension regime, job
1527 market and capital market).
1528

1529 These measures combined with a coordinated move to reduce the level of taxation in Europe will revive
1530 entrepreneurship and therefore job creation and increase the tax base and contribute to solve the financial
1531 troubles of the EU Member States.
1532

1533 Concerning the accession of the new Member States into the Euro area, the EPP is strongly in favour of a
1534 speedy introduction of the Euro in all new Member States. The benefits of the Euro should be extended to all
1535 EU Member States and to their citizens who wish so and fulfil the Maastricht criteria. This task will keep all
1536 new countries firmly on the reform track and will strengthen the Euro as a strong and attractive currency.
1537

1537 **CHAPTER IV. EUROPEAN YOUTH POLICY**

1538

1539 The EPP sees it as fundamental that in the further integration of Europe a generational perspective is taken
1540 into account. We must build a future that can offer better opportunities for our youth. Our plans for the years
1541 to come must be sustainable. The future of Europe is our youth. But we must not forget that our youth is also
1542 present today. Taking into account the interests and views of young Europeans is a challenge the EPP would
1543 like to take on as a special task for the next European Parliament election period.

1544

1545 A European Youth Policy must have as its basis the premise that the youth possesses great resources. At the
1546 same time young people face many challenges that demand political attention, in particular on the European
1547 level. The EPP believes that the EU should be able to offer more to our youth on areas like education,
1548 employment and prevention of social exclusion. These are opportunities and challenges that our youth faces
1549 today where Europe can be part of more efficient solutions.

1550

1551 Ensuring the interests of young people demands more attention being paid to their participation and their
1552 input into decision-making processes in Europe.

1553

1554

1555 **Education**

1556

1557 The EPP believes in an educational system that must be accessible for all and embrace all, free from and
1558 contrary to any sort of discrimination.

1559

1560 Education must stimulate people to take an active part in society, further their social and personal growth and
1561 teach them democratic thinking while introducing the understanding and practice of our basic European
1562 values. Focus must be therefore on the individual, never forgetting that all students should learn to live and
1563 work in community with others.

1564

1565 Equal opportunity to choose to be educated and to access education is a public responsibility, and a high-
1566 quality and diverse school system is our fundament. Therefore we believe in a system of permanent
1567 competition among schools and among universities, given proof that such a system brings parents and
1568 students the opportunity to choose and stimulates increasing quality education standards. However, the
1569 introduction of competition must occur on a strategic, phased basis, ensuring that vulnerable young people
1570 are not disadvantaged in the process.

1571

1572 The European integration process has provided a bigger dimension to the need of establishing a more
1573 complete and fruitful co-operation in the intellectual, cultural, and educational spheres. A Europe of
1574 knowledge is now widely recognised as fundamental for the strengthening of our societies, the personal and
1575 professional growth of our citizens and the understanding between cultures.

1576

1577

1578 Therefore, the EPP and the Youth of the European People's Party (YEPP) believe in:

1579

1580 -Guaranteeing a public education system that bets for higher quality standards while respecting the legitimate
1581 coexistence of private education, a guarantee for equal opportunities and freedom of choice for all European
1582 citizens.

1583

1584 -Promoting and enforcing all those knowledge areas related to European Union and European languages,
1585 encouraging multilingualism in Europe, especially at early ages, but also all along the educational process.

1586

1587 -Developing European education programmes Socrates, Comenius and Tempus, deepening the process to
1588 remove obstacles and encourage mobility for students and teachers.

1589

1590 -Promoting the use of new technologies in training and educational procedures as a guarantee for a future
1591 and better integration and development of European new generations in social, cultural and economic life.

1592

1593

1594 Employment

1595

1596 European efforts on employment-generating policies must consider the needs of European youth. The high
1597 level of unemployment in Europe is intolerable. When labour markets are tough the young people are among
1598 the ones worst affected. Over 15% of young Europeans under age 25 do not have a job or any fulltime
1599 occupation in education or studies.

1600

1601 Youth employment is directly linked to emancipation and self-reliance. Together with opportunities for
1602 proper housing, education and employment, it is one of the key factors in life.

1603

1604 Creating more jobs firstly demands sound economic policies and supportive measures to strengthen
1605 entrepreneurial spirit. The high levels of youth unemployment, however, also demand special attention to
1606 avoid long time unemployment. This means that youth unemployment must be addressed specifically, as a
1607 priority in its own right.

1608

1609 The EPP wants to improve the prospects for youth employment through:

1610

1611 -Promoting specific policy measures on employment contracts concerning young people under conditions
1612 which favour stability and training.

1613

1614 -Encouraging young people's initiative and creativity in all fields while promoting their entrepreneurial
1615 spirit.

1616

1617 -Favouring young people's mobility and employability through a flexible and efficient system of degree and
1618 diploma recognition all around Europe.

1619

1620

1621 Preventing social exclusion

1622

1623 Young people are more susceptible to fall victim to social exclusion. Young people cannot, as adults can,
1624 face most challenges with the benefit of lifetime experience. Many challenges are too tough for children
1625 and youngsters to deal with. Improving the conditions of formative years involves a broad perspective of
1626 economic, social and value-based dimensions. Here the EPP parties have much to offer on local, regional and
1627 national level. There are also European elements to these topics that should be tackled through concertation
1628 and co-operation between EPP parties.

1629

1630 In fighting social exclusion of young people, the EPP encourages the establishment of more cross-sectorial
1631 approaches on education, health prevention and employment. Special attention should be paid to improving
1632 the prevention and treatment of psychiatric illnesses, as this is often the largest youth health issue. Stronger
1633 focus on fighting drugs and improving treatment programs must also be addressed. These are issues of major
1634 importance for too many youngsters in Europe. In these matters we don't have any time to lose and the EPP
1635 will prioritize our European youth demands.

1636

1636 **CHAPTER V. EUROPE AND ITS PLACE IN THE WORLD**

1637
1638 Globalisation is an unavoidable phenomenon which, by increasing trade, also multiplies development
1639 opportunities for all countries capable of adapting to it. But if not mastered, it causes imbalances and
1640 inequalities and entails risks which national governments are no longer able to cope with.

1641
1642 In today's world, economic and political interdependence have become such that Europe cannot realistically
1643 hope to become an island of peace, freedom, justice, democracy and prosperity in a world tormented by civil
1644 wars, poverty, injustice, insecurity and political tyranny.

1645
1646 Protest movements all over in the world cannot be ignored. If Europeans want to safeguard their democratic
1647 and social model, they will have to accept to be commonly involved in establishing and managing, in co-
1648 operation with the United States and other main world partners sharing the same objectives, a new
1649 international order responding to the same demands for peace, freedom, justice and democracy.

1650
1651 To live up to its responsibilities on the international political scene - preserve peace, promote democracy,
1652 human rights and development in poorer countries, the European Union needs a strong Common Foreign and
1653 Security Policy (CFSP). Europe must be provided with the necessary means to deliver on its commitments,
1654 i.e. institutions enabling it to speak with one voice and strong military capacities. In this way, our continent
1655 would gain high profile and positioning internationally and be able to meet the new security threats, such as
1656 terrorism, that jeopardise security in Europe and elsewhere.

1657
1658
1659 **Section I. For a Common Foreign and Security Policy (CFSP)**

1660
1661 More than ten years ago, Article J.1 of the Maastricht Treaty established a common foreign and security
1662 policy. However, since it was based solely on intergovernmental cooperation it quickly demonstrated its
1663 limits.

1664
1665 By contrast, in foreign trade policy, and even when national positions differed, the Union has succeeded in
1666 not only defining common positions but in having them accepted at the global level.

1667
1668 As a result, in order to fulfil the institutional pre-conditions to the forthcoming of a genuine European
1669 foreign policy and enable the European Union to take a coherent and influential positioning, the EPP favours
1670 extending the Community method to the bulk of the CFSP.

1671
1672
1673 **A. Integration of CFSP into Community structures**

1674
1675 The effectiveness of the CFSP requires the prior clarification of powers and decision-making procedures.

1676
1677 - The Union's competence in matters of common foreign and security policy will cover all areas of foreign
1678 policy and all questions relating to the Union's security, including the progressive framing of a common
1679 defence policy, which the aim of leading to a common defence, following a decision by the European
1680 Council, to be ratified by the Member States.

1681
1682 - In the areas thus defined, a Union Minister of Foreign Affairs, Vice-President of the Commission, would
1683 be responsible for handling the Union's external relations and actions, supported by a European
1684 diplomatic service, composed of both community and national assets. His status as commissioner would
1685 enable effective parliamentary control. The Foreign Minister would be appointed by the European
1686 Council by qualified majority with the consent of the President of the Commission.

1687
1688 - The Union Minister for Foreign Affairs would have the right to initiate new developments in the field of
1689 the common foreign policy as well as regarding the common security and defence policy, and would carry
1690 them out as mandated by the Council of Ministers. Implementing decisions would be taken by majority
1691 vote as a general rule, excluding decisions having military or defence implications.

- 1693 - He would have the administrative, diplomatic and budgetary tools necessary for performing his missions,
1694 mostly derived from the Commission but also transferred from the Member States for pooling expertise.
1695 Within this framework, the Union would have a unified network of external representations (embassies).
1696
- 1697 - In the international organisations dealing with problems falling under the CFSP, it will now be the Union
1698 which represents the Member States. Where that does not prove to be possible in the short run, the
1699 Member States pledge to consult each other and to take common decisions according to procedures
1700 adapted to each one's power.
1701
- 1702 - Each year, the European Union provides itself with the budget appropriations required to fund the CFSP.
1703
1704

1705 **B. Main themes of the CFSP**

1706
1707 The Union pursues the same goals externally as it does internally, albeit using other resources and methods.
1708 These goals are:

- 1709
- 1710 1. Freedom, peace and security
 - 1711 2. Creating equal opportunities
 - 1712 4. Sustainable development
 - 1713 4. Democracy, respect for human rights and good governance.
- 1714

1715 To achieve these goals more effectively, it will seek to:

- 1716
- 1717 a) develop a series of preferential partnerships;
 - 1718 b) foster international cooperation, and more particularly strengthen multilateral bodies.
- 1719

- 1720 1. Freedom, peace and security
- 1721

1722 The end of the Cold War and the disarmament agreements between major powers have not extinguished all
1723 conflicts, nor eliminated all their causes. These are taking a new and more insidious form: terrorism,
1724 proliferation of weapons of mass destruction and civil war. As a consequence of these new security
1725 challenges, the priorities are shifting from collective defence to collective security. The Union must therefore
1726 put stronger emphasis on conflict prevention and prepare itself to face tomorrow's conflicts. Governments
1727 disrespectful of democracy and the rule of law, autocratic regimes, military ruling or war-lordism represent a
1728 threat not only to their neighbours, but also to the world community as a whole, not least because the
1729 suppression of individual freedoms and democracy fosters instability and terrorism. We can also see a wide
1730 scale of ethnical conflicts with results that cannot be accepted to the world community. These conflicts
1731 generally arise from competition between peoples or ethnic groups for access to scarce resources (water,
1732 minerals, oil, fertile lands) or large-scale organised crime (trafficking in human beings, drugs and diamonds)
1733 which help to finance regional conflicts and civil wars.
1734

1735 The EPP will support the Union's actions aimed at:

- 1736
- 1737 - improving dialogue and cooperation with states or regions that are victims of these conflicts by offering
1738 its assistance or mediation;
 - 1739
 - 1740 - combating terrorism: refer to the Chapter II section on security;
 - 1741
 - 1742 - supporting democratic development in other parts of the world, upholding the United Nations Charter of
1743 Human Rights and international law;
 - 1744
 - 1745 - encouraging and supporting the action of humanitarian organisations that actively work at local level to
1746 promote all forms of development which reduce the attractiveness of banned crops or activities;
- 1747

- 1748 - establishing military capabilities strong enough to support the political aims of the Union regarding peace
1749 enforcement and crisis management in order to contribute to the upholding of international law and peace
1750 operations under the rule of the United Nations;
1751
1752 - providing technical, financial or military assistance to actions to maintain law and order under the
1753 auspices of the United Nations;
1754
1755 - controlling and eliminating trafficking in weapons;
1756
1757 - for conflicts of a broader dimension: refer to Section II on the European defence policy.
1758

1759 2. Creating equal opportunities

1760
1761 Tyranny and dictatorship are the main causes of human rights violations. They also constitute, to a large
1762 extent, the ground on which conflicts take root and grow. Conversely, economic development and expanded
1763 trade are factors for peace and stability. We live in an increasingly interdependent world where combating
1764 poverty is a major challenge.
1765

1766 While acknowledging the positive results of living in a globalised world, the EPP believes that poverty
1767 elimination can only be achieved through a holistic approach to development. Neither aid nor trade on itself
1768 can fight poverty. We need a broader agenda for development that includes reform of international
1769 framework conditions such as global trade rules and the systems of debt relief. Development demands more
1770 foreign investments, increased international aid (ODA), a strengthening of the private sector and a stronger
1771 focus on good governance, based on democratic structures. This is why the EPP favours:
1772

1773 a. Equitable world trade through strengthening the WTO

1774
1775 The WTO provides not only a global structure which makes it possible to promote the fair and reciprocal
1776 opening of markets and reduce commercial distortions, but also a neutral system for resolving trade disputes
1777 based on the principle of law, not on balance of power. The negotiating principles agreed in Doha must be
1778 supported, along with the TRIPS (intellectual property) and GATS (trade in services) agreements. The EPP
1779 will support efforts aimed at integrating the emerging economies and the least-developed countries into the
1780 world economic system by taking into account their specific difficulties and possibilities.
1781

1782 The EPP regrets the failure of Cancun and hopes an agreement will be reached on the outstanding issues as
1783 soon as possible, in order to create a basis for the successful completion of the Doha Development Agenda.
1784

1785 At the same time the EPP notes though the reluctance of many developing countries to discuss the inclusion
1786 of the Singapore issues in the WTO negotiations. The EPP therefore supports moves of the EU to explore
1787 the option of creating a free trade area with the countries of NAFTA covering also the areas of competition,
1788 market access, trade facilitation and government procurement in order to create an example for others to
1789 follow.
1790

1791 The EPP supports policies designed at helping the poorest countries, bridging the economic, technological
1792 and digital gaps they face as well as initiatives ensuring Less Developed Countries access to the most
1793 urgently needed medicines.
1794

1795 To increase the legitimacy of the WTO, the EPP is in favour of creating and strengthening a WTO
1796 parliamentary assembly.
1797

1798 b. A substantial financial commitment to the developing countries (targeting 0.7% of GDP).

1799
1800 The Union is the world's leading provider of development aid, and must remain so. But this aid must be
1801 scaled up and improved to eliminate poverty:
1802

- 1803 - through a stronger focus on the specific needs of the world's poorest countries;
1804

- 1805 - through a more decentralised and less bureaucratic approach to the management of programmes;
- 1806
- 1807 - through greater consistency and coordination between the actions conducted by the Member States
- 1808 and those carried out at Union level and also through better coordination among donors;
- 1809
- 1810 - through promoting the philosophy of entrepreneurship and SME based economic development which
- 1811 was the basis of the economic development of the new rich countries and which will work the same
- 1812 way to develop accordingly;
- 1813
- 1814 - through a shift from single-project management to broader sector approaches promoting national
- 1815 ownership in the recipient countries;
- 1816
- 1817 - through positive examples of macroeconomic policy making like simple and transparent tax systems
- 1818 and efficient administration and market based reforms;
- 1819
- 1820 - through integration of the European Development Fund into the Union budget;
- 1821
- 1822 - through support for the initiatives of NGOs, and more particularly to the 'GAYE' (Give as you earn)
- 1823 initiative that the EPP-DE group intends to launch.
- 1824

1825 c. An amendment of Article 133 to acknowledge the power of Parliament in foreign trade policy.

1826
1827

1828 3. Sustainable development

1829

1830 The earth's resources must be carefully and responsibly managed in order to be able to give good living
1831 conditions to a growing number of people in the world. It is necessary to study ways to handle the
1832 demographic increase of the world's population and to envision development models compatible with the
1833 nature of our planet's resources. That is why it is necessary, starting now, to study ways to contain the
1834 demographic explosion of the world's population and to envision development models more compatible with
1835 the finite nature of the planet's resources.

1836

1837 Furthermore, the Union must pursue cooperation with the greatest possible number of countries with a view
1838 to:

1839

- 1840 - respecting the commitments made under the Kyoto agreement;
- 1841
- 1842 - combating the deforestation of tropical regions and the massive loss of biological diversity;
- 1843
- 1844 - supporting organisations which are fighting for the same goals.

1845

1846

1847 4. Good governance, democracy and respect for human rights

1848

1849 As important as external assistance may be, it is not enough to guarantee development, which in turn cannot
1850 by itself guarantee peace, even if it makes a fundamental contribution to it.

1851

1852 Corruption, misappropriation of aid, illegal trafficking, mismanagement of public monies, and ethical
1853 conflicts are unfortunately realities that cannot be ignored. The EPP considers that, in line with the Cotonou
1854 agreement, aid must remain conditional to the respect of human rights, democracy and the rule of law. We
1855 think that the development of real democracies is essential to promote the freedom of the individual, enable
1856 economic growth and secure prosperity for all nations. The issue of the protection of women should also be
1857 systematically raised, when granting development aid.

1858

1859 This is why the EPP will favour the multilateral approach and regional or intercontinental agreements. It will
1860 support the initiatives of NGOs and make the adoption of aid programmes conditional upon respect for
1861 certain principles of good governance defined in common with the countries receiving aid.

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C. Our policy options to achieve these external goals

For the Union to achieve its goals at the international level, the EPP proposes to:

a) intensify our strategic partnerships.

1) Firstly with the United States.

We must develop transatlantic ties and enhance co-operation within a transatlantic strategic community to guarantee security and prosperity in the world. Since we share core values and goals with the United States, we must clarify and intensify our relationship, openly debate our differences and interests and faithfully carry out the commitments we make to each other. Old schemes should be revised to build a new adult relationship that enables strategic viewpoints to be brought closer together, notably by reinforcing NATO and by developing European military capacities. EU-US relations should be promoted by a project enhancing both the political and the economic dimensions of the partnership, including the completion of a transatlantic market.

2) We must then:

- develop the Balkan Stability Pact to create a zone of peace, prosperity and democracy, in view of facilitating the integration of Balkan countries into the European structures;
- continue to develop cooperation with Russia, especially on issues of major mutual interest: security policy, fight against terrorism, energy supply, nuclear safety, environment and organised crime;
- using the experience of the new Member States, step up cooperation with the EU's new neighbours: Ukraine, Moldova, Belarus, in the form of a global neighbourhood strategy, in order to support their democratic development and the strengthening of open society values;
- attach special attention to the Northern Dimension, and in particular to a suitable solution of the Kaliningrad Oblast;
- formulate a long-term policy for the Caucasus, to contribute to the stability and the democratic development of the entire region;
- formulate and implement a long-term common policy towards neighbouring countries which could help the people of those countries to build an independent and democratic society and put a particular emphasis on cooperation based on good neighbourliness, inviolability of borders, peaceful resolution of disputes and respect for democratic values and the rule of law. The main aim of our next rounds of enlargement should be to make war and the use of force unthinkable both among these countries, as well as to their neighbours. The contribution to regional stability and European 'good neighbourly relations' is a critical precondition for any accession country;
- give new impetus to the Barcelona Process in the Mediterranean region, notably through the establishment of a Euro-Mediterranean Parliamentary-Assembly and a Euro-Mediterranean Development Bank. Democracy, respect for human rights and the rule of law, economic and social development must be strengthened and cultural dialogue intensified. The EPP will strive for the timely implementation of the Euro-Mediterranean Free-Trade Zone and for deepening the dialogue with our Mediterranean partners, in order to help them to increase their mutual cooperation and overcome their mutual mistrust;
- strengthen the EU's political commitment in the Middle East through a clear and balanced intervention in the peace process;

- 1918 - consolidate peace in Afghanistan and promote dialogue with the Arab and Muslim world. The political
- 1919 dialogue with Iran and negotiations aimed at the conclusion of a co-operation agreement should also
- 1920 be pursued, with the understanding that Iran should fully comply with its international obligations
- 1921 concerning its nuclear development programme;
- 1922
- 1923 - increase our efforts in the framework of the Cotonou Convention to support all economic, social and
- 1924 political developments in Africa with a particular emphasis on combating the AIDS epidemic;
- 1925
- 1926 - back up the positive trends in many African countries towards fighting corruption, building democracy
- 1927 and prioritising the social sector, especially through the strengthening of the already existing
- 1928 development partnerships with the least developed countries and also by supporting the NEPAD
- 1929 initiative, assisting the establishment of an African Union, supporting the emerging African Union and
- 1930 stepping up the appropriate support structures for an African model of political and economic
- 1931 integration along the successful European lines;
- 1932
- 1933 - develop relations with the Association of South-East Asian Nations (ASEAN) and accelerate the
- 1934 ASEM process: relations with these organisations are vitally important to conflict prevention in Asia
- 1935 and the promotion of political stability;
- 1936
- 1937 - deepen our relations with the countries of Latin America, promote MERCOSUR, and pay special
- 1938 attention to the agreement of economic association, political coordination and cooperation between
- 1939 EU and Mexico.

1940

1941

1942 b) Support the multilateral organisations and coordinate our actions therein.

1943

1944 Most of the international organisations, in particular the United Nations, created in the immediate post-war

1945 era have proven their usefulness. Their contribution to international stability, to economic development, to

1946 conflict prevention, to the better management of land resources, to the protection of human heritage and so

1947 forth - albeit not perfect or optimal - has proven positive. Nonetheless, they must be adapted to take account

1948 of the new international situation and the new power relationships that have developed over the past 50

1949 years. The Union must take the initiative in bringing about these reforms. To achieve them, it must put an

1950 end to its own divisions.

1951

1952 EU Member States should also reflect on the best way to be represented in the structures of the various

1953 international organisations. The EPP favours a single EU representation wherever possible, and certainly in

1954 those organisations responsible for issues falling under the Union's competences. Where a single

1955 representation is not possible, the Member States should pledge to coordinate their position.

1956

1957 **Section II. A European defence policy**

1958

1959 Whilst the non-military instruments of a common foreign policy are important and generally sufficient to

1960 achieve the Union's objectives in the world, it must be admitted that in certain cases, the objectives of peace-

1961 keeping, peace-enforcing and conflict prevention will require military interventions.

1962

1963 Considering its place in the world economy, the Union cannot shirk its responsibilities and leave it up to the

1964 United States alone, to provide security around the world, especially when the interests of Europe are at

1965 stake.

1966

1967 Of course, the United Nations is the prime organisation for the arrangement of world-wide security

1968 agreements and measures, and the Union must do all it can to enable the United Nations to respond

1969 efficiently to the challenges of the modern world. Nonetheless, experience has shown that the Security

1970 Council can be paralysed or find itself in a situation where the national contributions to UN intervention

1971 forces are inadequate. In such cases, it might be required that the Union takes action, either in the framework

1972 of NATO or under the 'lead nation' concept, as already agreed in Helsinki.

1973

1974

1975 For many years, the European security and defence policy was focussed on territorial defence in anticipation
1976 of an invasion threat from the Warsaw Pact. In countering this threat, NATO has undoubtedly been the most
1977 durable and effective alliance of all times, since for fifty years it has been able to secure peace without
1978 having to wage war. Consequently, Europe had no need for a defence policy other than the one assumed by
1979 NATO. However, since the end of the Cold War, the security environment has changed dramatically,
1980 requiring not only an adaptation of NATO, but also a European response.

1981
1982 Therefore, EU Member States decided in Helsinki to develop the so-called Headline Goal and to establish
1983 the European Rapid Reaction Forces. This would not only strengthen the European capabilities within
1984 NATO - which retains a dominant role in the Euro-Atlantic partnership and related security and defence
1985 issues - but would also give the Union a military capability for autonomous European action when needed, to
1986 protect its vital interest, in case NATO as a whole was not engaged.

1987
1988 These Rapid Reaction Forces would be the armed component of the CFSP and in the long run could form the
1989 nucleus of a European army. To develop this idea, working with those countries which agree with it and
1990 within the framework of enhanced cooperation, we should define a concept of European responsibilities in
1991 the areas of security and defence, based on an analysis of goals and needs that could result in a European
1992 defence policy and face the new security challenges.

1993
1994 It is no longer exclusively conflicts between states that threaten international peace, but more and more also
1995 those involving non-state actors. The European Union has to give satisfactory answers to this issue. Such a
1996 strategy also has to address the relations between NATO and the European Union. Indeed, the European
1997 concept in the area of defence has to be closely linked with NATO.

1998
1999 Capabilities

2000
2001 The European Union spends currently around € 150 billion per year on defence, which is a little more than
2002 50% of the US defence effort. The number of troops in the enlarged Union is greater than the manpower of
2003 the American army. Still, because of 15 fully-fledged armies and widespread duplication, especially in the
2004 costly areas of research and equipment, the efficiency of European defence reaches only about 10 % of
2005 American levels.

2006
2007 That is why the EPP is in favour of creating a European Armament Agency and establishing a common
2008 market for armaments. The Code of Conduct concerning arms exports should be further strengthened. On
2009 such a basis, a mutual recognition of arms exports decisions by member states' governments could be
2010 introduced.

2011
2012 The Armament Agency would be responsible for the co-ordination of procurement by national armies, and
2013 for the coordination of research and development projects in the field of modern weapons. It is of the highest
2014 importance in today's security situation to ensure inter-operability of the different armies of the Member
2015 States. Therefore, we need to make sure that the equipment and the training of all member states comply
2016 with common norms and standards.

2017
2018 The establishment of a genuine European space policy is one of the Union's central technological challenges,
2019 the implementation of which, will improve its military intelligence.

2020
2021 For this reason, the EPP strongly supports the Galileo programme, while regretting that the military aspect
2022 of the project had not been accepted as of yet. The EPP also proposes that the European Space Agency
2023 becomes the Space Agency of the European Union.

2024
2025 Finally, as part of the European security strategy, we should study the adoption and application of a mutual
2026 assistance and defence clause, similar to the one existing in NATO and WEU Treaties.

2027

2027 **CHAPTER VI. A GOOD EUROPEAN GOVERNANCE**

2028

2029 A. A strong Europe

2030

2031 In order to achieve the objectives of this programme in the context of an enlarged and more heterogeneous
2032 Europe, we need to reform our institutions to make them more efficient, more transparent, more accountable
2033 and more democratic.

2034

2035 Europe will be stronger in that it will benefit from the support and involvement of its citizens. In this respect
2036 trans-national political parties will play a decisive role because they are the obligatory intermediaries
2037 between the Union's institutions and its citizens. That is why it is important to grant them a legal status that
2038 guarantees their independence and responsibility. During the last Legislative Term, 1999 – 2004, the
2039 European Parliament and Council have passed a law which recognises the existence and importance of the
2040 European political parties, this is an important step towards the European political construction. Like in
2041 many other issues, the EPP has been the leading force of this political initiative.

2042

2043 The EPP, by virtue of its Congress Document adopted in Estoril, was the first major party to put forward a
2044 coherent plan for a European Constitution, and was therefore in a position to strongly influence the direction
2045 taken by the work of the European Convention. The EPP representatives at the Convention played an
2046 important role during the entire process.

2047

2048 The EPP remains convinced that the good functioning of the enlarged Europe still depends on adopting the
2049 Constitution on the basis of the project drafted by the Convention.

2050

2051 The failure of the Brussels Summit is not definitive. The IGC has already reached a consensus on numerous
2052 points of the project. The divergences which led to the provisional failure of the IGC are not insurmountable.
2053 Difficulties encountered at the Brussels Summit must be overcome and an honourable solution reached
2054 before the 1st of May.

2055

2056 The EPP is committed to supporting the efforts of Ireland's EU Presidency in order to reach this
2057 compromise.

2058

2059 B. A well-run Europe

2060

2061 We have high ambitions for Europe, both internally and externally. To be credible, achieving them also
2062 implies reviewing budgets. It is essential to improve financial planning in the medium term and to develop a
2063 system of own resources enabling the Union to act rapidly and to respond to urgent needs. In parallel with
2064 this, the EPP will see to it that strict standards of management and transparency are upheld in the use of EU
2065 expenditure. It will continue its commitment in the fight against fraud and misappropriation of funds.

2066

2067 **Section I. The means to realise our ambitions**

2068

2069 - At about 1% of GDP (of which more than 95% is returned to the states), the Union's budget represents a
2070 very modest expense when compared to the non-budgetary benefits which the Member States gain from
2071 EU membership (and when one considers that all of the national budgets represent a too high 50% of
2072 European GDP).

2073

2074 - Despite the benefits for each country, any budget discussion amongst members of the Council of
2075 Ministers gives rise to bitter discussions about the fair sharing of contributions ("I want my money
2076 back"). Over the years, the nature of own resources has evolved to become national contributions which
2077 each one attempts to get back in proportion to its funds contributed.

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2079 This is why the EPP favours:

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2081 - narrowing political priorities in relation to the exercise of the Union's powers;

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- 2083 - ensuring a qualitative improvement in the implementation of the Union's policies, by defining
 2084 performance criteria;
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 2086 - making national and regional governments more responsible for the money they receive from the
 2087 Union budget;
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 2089 - increasing the investment components of the current budget, to achieve a better balance between
 2090 investments and subsidies;
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 2092 - establishing a new modern and dynamic concept of financial planning, so as to ensure the necessary
 2093 budgetary flexibility as well as the provision of sufficient budgetary means to attain its policy
 2094 objectives;
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2096 The advantages of a system of own resources compared to a system of national contributions are obvious
 2097 in terms of autonomy, efficiency, transparency and accountability. That is why the EPP promotes a
 2098 rebalancing of the Union budget in favour of a larger part of own resources but on the following strict
 2099 conditions:

- 2100
 2101 1. It should not increase the total fiscal pressure on citizens.
 2102 2. It should contain provisions to guarantee a fair share of the burden among Member States and remain
 2103 proportional to the contribution capacity of each of them.
 2104 3. The total product from own resources should remain in line with the amount strictly necessary for the
 2105 implementation of the agreed common policies.
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 2108 **Section II. The democratic management of resources**
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2110 Citizens' perception of the Union's budget problems is negative, reflecting the budget disputes within the
 2111 Council of Ministers.

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 2113 In this respect, the EPP proposes the following :

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 2115 1. Increasing accountability and transparency in the management of EU funds.
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 2117 2. Consolidating Parliament's rights in the budget procedure.
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 2119 - Financial regulation must be approved according to the codecision procedure.
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 2121 - The distinction between compulsory and non-compulsory expenditures must be eliminated.
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 2123 - Parliament should fully participate in defining political priorities and monitoring their implementation.
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 2125 - Parliament must have the right of codecision in the area of own resources.
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 2127 3. Opening up and transparency of budget procedures.
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 2129 - To correctly fulfil its discharge authority, Parliament must have access to all relevant documents, and
 2130 should be able to summon civil servants who have budget powers to appear before it.
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 2132 - Parliament and the Commission will be intent on making simplified presentations for public
 2133 consumption of the major budget choices and their justification.
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 2135 4. Protecting the Union's financial interests.
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2137 The fight against fraud must be waged at all levels and effective measures must be taken to protect the
 2138 Union's financial interests. The EPP supports the creation of an independent body specialising in
 2139 investigating this type of fraud. The priorities should be:

- 2140
2141 - to combat the misuse of European Union funds, and to try and identify the causes and ensure the
2142 reimbursement of wasted funds;
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2144 - to strengthen OLAF by seeking its total independence from the Commission;
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2146 - to combat fraud in the collection of own resources.
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2149 5. Pursuing the reform of the institutions and enhancing their legitimacy.
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2152 a) The Commission must:
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2154 - monitor the implementation and results of the overall reform of the European Commission;
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2156 - examine the effectiveness of the reform, especially as regards human resources policy and the opening
2157 up to external scrutiny;
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2159 - make the commissioners more responsible for the money managed under their portfolio.
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2161 b) The Council must:
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2163 - introduce the responsibility of the Council of Ministers for the financing the operational
2164 aspects of its activities.