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

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

The EPP as the party of the European common good

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

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

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

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

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

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

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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.
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 21\textsuperscript{st} 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.
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.
Attentive to the expectations of European citizens, the EPP identifies the following themes as their most important concerns:

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

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

Not all the measures advocated by the EPP in the five chapters fall under the purview of the Union. Some fall exclusively within the remit of national or regional governments. We have kept them in our programme because in several Member States, European elections are held at the same time as national or regional elections and because voters' party allegiance is determined by that party's policies regardless of the level at which the policies are implemented, provided that these are coherent. Furthermore, it will be much easier to coordinate national policies at European level if all the member parties of the EPP defend the same orientations at all levels of power.
CHAPTER I. A DYNAMIC, COMPETITIVE, SOLIDARITY-BASED AND JOB-GENERATING ECONOMY

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

Section I. A dynamic economy in an increasingly changing world

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

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

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

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

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

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

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

The solution does not lie in the artificial survival of non-competitive industries, in protectionism and self-sufficient withdrawal, or in the use of intervention and public aid. It consists in adapting to the new conditions of the world market, which can only be achieved under optimum conditions and with maximum success by liberalising initiatives and energies in an adequate framework. Only through the creation of new enterprises or new products new sustainable jobs will be created. The public authorities, and more particularly the Union, will have to create the general fiscal, financial and social conditions that foster start-ups, research and investment.
The new wave of enlargement affords Europe unprecedented opportunities for development: following the example of previous enlargements, the economic benefits of such a development will outweigh the costs of solidarity and cohesion.

More specifically, the EPP undertakes to support:

1. Completion of the single market

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

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

2. Lower taxes aimed at promoting economic development.

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

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

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

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

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

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

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

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

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

- in accordance with the general aims of the European Union, as laid down in the Treaty as well as in the coming European Constitution, eliminate those subsidies and regulatory arrangements that create distortions in the markets and discourage private initiatives;
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+ systematically assess the impact of legislation in terms of costs to companies and employment;
+ minimise red tape and excessive administrative requirements;
+ encourage company start-ups and facilitate access to various modes of venture capital financing;
+ guarantee proper access to financing for SMEs under the Basle II agreement;
+ effectively protect the intellectual property of European companies by finalising a new Community patent that is less costly, more accessible and legally more secure.

4. Create a level-playing field for company law

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

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

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

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

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

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

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

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

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

Transfer: Many SMEs disappear with their founder because the conditions governing transfer generally bear a heavy tax burden or are legally discouraging. The Union should encourage the Member States to amend their legislation to encourage the continuation of these activities.
Culture: It is difficult to start up a business again after a bankruptcy, since even "honest failures" easily get branded. This is detrimental to innovation and entrepreneurship. For this reason, first of all support and consultancy services should be used to try to ensure that viable business can be saved or restructured in time. Unviable businesses, however, should disappear from the market.

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

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

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

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

6. Balanced Budgets

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

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

Section II. A competitive economy

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

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

1. Priority on research and innovation

Europe still lags behind when it comes to research, in particular because research is increasingly costly and interdisciplinary. Nonetheless, Europe's main weakness lies on one hand in the fragmentation and scattering of its efforts and on the other hand in the difficulty to go from the stage of research to that of industrial innovation. Here is one area where the European Union can undoubtedly add value:
- by coordinating programmes to avoid redundancy;
- by ensuring collaboration between research centres to increase degrees of specialisation;
- by encouraging the movement of knowledge and researchers;
- by ensuring cooperation between industry, researchers and educational establishments throughout the
  Union in order to foster scientific innovation and industrial development.

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

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

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

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

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

2. High quality education and training: focus on knowledge

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

- promote life-long learning and effective access to quality training;
- ensure that education and training opportunities correspond to the needs of the labour market;
- pursue and expand the e-learning programme to encourage familiarisation with and education in
  information technologies; these offer a strong means for social inclusion, e.g. for disabled people;
- improve the teaching of languages as well as encourage citizens to learn two or more languages and study
  at least half a year abroad, as it was foreseen in the European Directive adopted in this regard; it is
  essential, in this context, to overcome administrative, social security and other obstacles to mobility and
  to recognise qualifications and diplomas;
- promote the spirit of initiative and independence starting from the first stages of education;
- develop cooperation with non-EU countries in higher education and make our higher education system
  more open and competitive on the international level;
- guarantee equal access to basic education for everybody and a framework of higher education for those
  who are qualified to benefit from it.
In this way, we will improve the quality of the education of young people, the adaptability and “employability” of the working force - including the elder generation - and thus contribute to reducing unemployment. Education is in the view of the EPP at the cross-roads of human development, economic competitiveness and social progress. We will therefore strongly favour the further development and relevant adjustment of the major European Union education programmes (Socrates, Tempus, Leonardo da Vinci, Youth, Erasmus Mundus and eLearning) both in terms of their objectives and of the means allocated to them.

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

3. Lowering costs

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

The EPP favours in particular:

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

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

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

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

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

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

Greater geographical and professional mobility of workers could lead to improvements in the way the labour market functions. Transferability of social rights via the Member States and mutual recognition of qualifications and training could also play a role. Therefore the EPP should strive to improve portability of
social rights throughout Europe by strengthening the functioning of the “internal market” in this area and by allowing real mobility of citizens.

Section III. A solidarity-based economy

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

A. Solidarity between citizens

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

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

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

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

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

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

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

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

- Reforms must be undertaken on an urgent basis to keep social security systems financially viable in the long run and socially acceptable. In general, the reform of social protection and social security systems has to take account of all characteristics resulting from the new patterns of work. By making solidly supported recommendations, the Union could make governments’ work easier. Adopting the methods of ‘benchmarking’ and ‘peer pressure’ promotes the solutions best suited to each country. Without setting out an exhaustive list, these measures could involve:
- a clear separation of the provisions of health cares and their financing, in order to get more transparency and allow for a better allocation of public funds, while keeping a high level of health care in Europe. Citizens should not be prevented from using the best and cheapest health cares just for the sake of protecting national institutions;
- promoting policies to increase employment, thus widening the base for social security contributions;
- changing the way contributions are calculated;
- providing fiscal encouragement for supplemental retirement savings;
- eliminating fiscal and parafiscal measures that discourage employment in general and employment of women in particular;
- ensuring greater participation in the job market by people over the age of 55, with the gradual elimination of early retirement schemes and voluntarily adjusting the retirement ages;
- progressively replacing free derived rights in the field of social welfare by contributory personal rights;
- assuring that not only the younger generation has to pay the price of changing the system. Balance needs to be found between generations.
- forming budget reserves to cushion the future inadequacy of the general pension system;
- as for health care, improving the possibilities of patients being treated outside their own borders could improve the quality of treatment and the opportunities of personal choice. In any case the covering of costs by the respective insurance system of the patient must be ensured. Such a reform would give better room for entrepreneurship and competition and can contribute to the formation of a world leading European health sector.
- since Europe is the continent with the world's shortest working time, greater flexibility should be introduced in how this time is set; this should be negotiated freely between the social partners. However, traditional Sunday regulations in some European countries shall be guarded. Experiments attempted in some countries have clearly shown that an imposed reduction in working time without a reduction in income was, in the long run, counterproductive in terms of competitiveness, growth and employment.
- special attention should be paid to demographic changes in Europe and, in particular, the ageing of the population. Not only does this present difficulties in terms of funding pensions (see our suggestions below), but it also raises the question of social dynamism. On the long term, immigration is no sufficient solution to cope with the consequences of demographic changes. The EPP believes that we have to create a "children-friendly" environment, which helps young families to have as much children as they wish. This could possibly be achieved by means of tax incentives and/or effective family allocations, as well as by providing an adequate environment in terms of child-care services and flexible organisation of working time, enabling a better combination of professional and family life. Finally, many citizens want to continue working beyond retirement age. We should not discourage this trend, which must remain entirely voluntary. It is in society's interests to draw upon the experience of the many contributions that elderly but nonetheless able and motivated people can make to the common good.

B. Solidarity between regions and Member States

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

- More specifically, it will ensure better coordination of national policies and the European cohesion policy, with assessment not solely based on statistical data, throughout the territory of the enlarged Union.
- It will approve sufficient financial resources to adequately support structural development in the least-favoured regions.
- It will closely supervise the implementation of these policies and the optimal use of the funds devoted to them.
It will ensure that other EU policies such as Industrial, Trade and Enterprise Policies etc. are not at divergence with EU Regional Development Policies and that all EU Policies consider at all times their likely impact on balanced regional development.

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

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

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

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

C. The role of public services

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

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

a. concerning private companies:

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

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

b. concerning Non-Governmental Organisations:

The EPP supports the commitment of NGOs, especially in the field of social services. Their work is important for the inner cohesion of our societies. Therefore, the EPP welcomes the recognition of those organisations by the European Constitution.
Section IV. An economy that generates jobs

A. Spirit of reforms

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

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

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

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

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

B. Investing in human capital

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

- These essentially involve efforts to train and retrain workers so that they have the new skills required by a changing job market.
- The decision of employees to acquire new skills must have financial effects; concerning the unemployed, there must be the possibility that their decision whether to take those efforts or not leads to consequences concerning unemployment benefits.
- Curricula and teaching methods should be adapted to respond to the new challenges and greater cooperation must be organised between education and the various sectors of the economy.
- Tax incentives must be provided for on-the-job training for young graduates, other starters or people returning to their work place, and for their permanent recruitment.
- More proximity jobs have to be created in order to better serve people.
A greater participation of women in the labour market should be encouraged by the elimination of obstacles that prevent women from entering it.

Social partners will have to show responsibility when it comes to wage negotiations in order to ensure that pay rises do not exceed the productivity gains achieved, nor seriously threaten the competitive position of the economic sector concerned.
CHAPTER II. RESPONDING TO EUROPEAN CITIZENS' GROWING NEED FOR SECURITY AND SAFETY

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

A. Improving the protection of European citizens

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

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

1. Consolidating and developing European citizenship

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

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

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

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

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

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

c. Improving the handling of petitions and complaints

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

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

2. Legal protection of the European consumer

The single market is designed to benefit not only companies but also European citizens as consumers. To achieve this objective, it is vital to institute:
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.
b. **Combating animal diseases and preventing their reappearance**

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

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

- Improving transport conditions of live animals.

- Establishing country specific staging posts.

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

c. **Promoting high-quality foods**

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

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

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

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

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

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

We want elderly European citizens to experience their retirement as a period of well-being, not one of pain and isolation. To this end:
greater attention must be paid to age-related illnesses such as Alzheimer's disease, Parkinson's disease, arthritis, and rheumatism, which particularly affect elderly people;

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

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

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

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

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

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

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

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

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

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

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

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

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

- promote the prevention of illnesses, specifically through vaccination, safety precautions and systematic checks of vulnerable populations.
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:
a. **A coordinated management of the Union’s external borders** must be organised against all threats. It is
the task of national governments to control and protect their portion of the Union’s external borders. However, they should all apply the same accepted rules and adopt the highest common security standards.

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

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

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

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

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

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

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

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

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

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

It is the view of the EPP that Europe profits from an increasingly open and free world, where goods and
services, together with investment capital are crossing boarders. Even people in business or as tourists can
move relatively freely across continents. These freedoms are benefits that should be achievable for more
people in our world. Alongside the need to handle proper asylum seekers and refugees forthrightly the
massive pressure on the asylum institute requires efficient and clear systems. Today many abuse the asylum
institute simply because they want to seek a better future. The EPP wants to reform the different immigration
policies among the member states so that a new common policy can clarify the real options for those who 
want to seek employment in Europe.

· A special mechanism under the new common immigration policy should be established regulating legal 
entry for job seeking immigrants. This entry track to Europe is to be controlled by the demand of labour.
· Embassies of member countries and common delegations abroad should be given the possibility to deal 
with applications for both asylum and work permits to Europe.
· Special efforts must be made to clarify the status of those thousands of unregistered immigrants in many 
member countries, in cooperation with origin countries.

Integration

Newcomers to Europe, who have come here as asylum seekers, refugees or job-seeking immigrants, should 
be encouraged to build their future in Europe through their own efforts. Integration must be a domestic task 
for the member states. Given the free and open market of our Union, it is necessary that the members adjust 
their social assurances so that negative inequalities are prevented and develop their integration policies in all 
fields.
· Integration programs should also help people into active participation rather than passive beneficiaries.
· Rapid settlement of refugees and asylum seekers is also important to prevent the unfortunate effects of 
living in ghettos.

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

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

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

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

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

4. Corruption, clientelism

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

5. Strengthening police and judicial cooperation

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

- create a single and consistent structure for all aspects related to justice and home affairs;
- bring Europol within the Community structures: Europol, which provides for police cooperation, should be integrated into the Union's institutional framework to guarantee suitable political oversight by the European Parliament and judicial oversight by the European Court of Justice;

- Eurojust, a system of collaboration between public prosecutors from the different Member States, should have its own legal personality. Its tasks, once established, should be broadened to serve as a real communication and early-warning network, with the aim to create a European Public Prosecutor;

- establish a well-defined and stable cooperation framework between the agencies participating at European level in the fight against terrorism and organised crime;

- harmonise the definition of serious and trans-national offences: common definitions in all the national legal systems, in particular regarding terrorism, trafficking in drugs and people, cyber-crime, money-laundering, and racism, will enable the establishment of Community standards, notably as regards the severity of penalties. Similarly, the notions of territoriality and jurisdiction in the trial of such offences must be harmonised;

- pursue and improve the training of public prosecutors and investigating magistrates in all fields related to judicial cooperation in criminal matters in the new Member States;

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

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

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

Section I. Climate change

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

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

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

Section II. Other forms of pollution

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

The EPP will give special attention to:

- the improvement of the environmental quality in urban areas, in which 80% of the population now lives and is subject to continuous nuisances (noise, air pollution, traffic, litter, allergies and stress) affecting public health. Enormous efforts are needed in terms of fuel quality and clean engines and investments necessary to
reduce vehicle consumption. Public awareness campaigns must be carried out to promote the use of renewable energies.

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

Section III. Polluters must pay: effective ecological accountability

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

Section IV. Generating clean energy

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

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

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

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

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

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

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

The EPP’s priorities for transport are:

1. extending and developing Trans-European Networks, with a view to eliminating all the bottlenecks and guaranteeing better interconnection of national networks. This must be done in a way that reverses the
growing imbalance between regions and facilitates the economic development of peripheral regions and islands. The transport network of the new Member States must be brought to a high level and be duly connected to the existing network of the current 15 Member States.

2. closing the existing gaps in highway infrastructure in order to re-connect Central and South Eastern Europe to the rest of the continent.

3. rebalancing in favour of modes of transport which cause less damage to the environment in particular in urban areas, while more long-distance transport of goods need to be transferred to environment respectful combined transport means (railways, inland navigation and coastal shipping). Such rebalancing will be encouraged by users picking up the tab for collective harmful effects and infrastructure costs.

4. making the reform of European railways a number one priority for the next 5 years and turning this sector again into a productive force of the society. Restriction of ownership should be lifted and consolidation fostered. Safety standards should be enforced and the whole sector should be put under EU Internal market and competition legislation.

5. opening up of national rail networks to the railway companies of other Member States;

6. developing the network of waterways, especially in cross-border and island interconnections;

7. promoting interoperability amongst all modes of transport;

8. enhancing the safety of all modes of transport through a policy of prevention and stricter legislation, in particular for the transport of hazardous products;

9. organising integrated air control at European level. The United States, which has denser and more intense air traffic than Europe, controls air traffic with 35% less manpower and better performance in terms of punctuality;

10. handling relations with third countries at European level. Negotiating as a common front is a prerequisite to the effective implementation of single market rules.

Section VI. Viable and sustainable agriculture

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

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

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

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

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

The EPP will see to it that the forthcoming reform of the CAP takes these three aspects into account.
1. An effective agriculture focused on new market demands

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

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

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

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

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

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

3. Developing ecological agriculture

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

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

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

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

Section VII. A common fisheries policy

The fisheries sector is confronted with both severe environmental issues and difficult social and cohesion problems with unemployment growing. The current reform is unavoidable. Its overall objective is to ensure a
sustainable existence of the EU fishery sector. The measures should be applied both for sea and inland (river and lakes) fisheries. The EPP will support the Commission's proposals aimed at:

- planning the rational management of resources reduced by fishing activities and finding a solution to the problem of accidental catches;
- adapting the 'relative stability' distribution mechanism to fisheries;
- modernising the fleet and adapting it to available resources;
- coordinating markets and resources by establishing consistency between access to resources and access to markets (the right to invest in third countries, free access to ports, the fight against illegal fishing);
- co-ordinating the CFP with the Union's foreign policy to optimise our global leadership position in the world by combining the commercial aspect with the foreign relations aspect. We must develop our fisheries treaties with third countries so that our fleet can continue to fish outside Community waters, while also ensuring that quotas negotiated do not put at risk the sustainability of fish stocks;
- gathering the maximum amount of reliable information on actual resources to guarantee their sensible management;
- promoting measures aimed at strengthening aquaculture.

**Section VIII. Sustainable, quality tourism**

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

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

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

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

1. Extending the principle of qualified majority voting to the sectors of cultural policy. The codecision procedure normally implies a majority vote in the two institutions. This is not the case in cultural matters. This anomaly needs to be corrected.
2. Preserving Europe's cultural diversity, which constitutes its great wealth, by encouraging the preservation of cultures and languages and the specific nature of Europe in the media and cinema.
3. Recasting "Television without frontiers" into an EU-wide content directive. This programme must be further developed and adapted in order to better manage the circulation of audio-visual content across borders and to promote a strong and competitive European audio-visual industry. This reshaping should take into account technological and market changes. This would mean, on the one hand, the need for common European basic principles (human rights, protection of minors, etc) to be applied across all audio-visual content services, and on the other hand, the need to adapt or eliminate obsolete rules containing inappropriate levels of detail, which nowadays can no longer be justified (some advertising rules, mandatory quotas, etc).
4. Reconsidering the 'Culture 2000' framework programme. It has yielded good results but should be slightly modified to emphasise its operational character and gear it better to citizens' needs.

5. With regard to the media, the EPP sees pluralism and the independence of press, radio and television as extremely important. It defends the quality of public service, together with the private sector, with a view to providing objective, varied and pluralistic information which is mindful of the demands of democratic life, responsibility, protection of minorities and opposition rights.

6. The importance of culture in developing a European identity should be stressed. Cultural education should begin in school and can play a role in building up a sense of European civic spirit. The importance of exchange programmes for students, volunteers and teachers should also be underlined as ways to safeguard our common European cultural heritage.

Section X. Permanently balanced finances for a stable currency

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

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

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

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

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

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

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

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

Education

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

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

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

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

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

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

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

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

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

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

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

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

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

- Promoting specific policy measures on employment contracts concerning young people under conditions which favour stability and training.
- Encouraging young people’s initiative and creativity in all fields while promoting their entrepreneurial spirit.
- Favouring young people’s mobility and employability through a flexible and efficient system of degree and diploma recognition all around Europe.

Preventing social exclusion

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

In fighting social exclusion of young people, the EPP encourages the establishment of more cross-sectorial approaches on education, health prevention and employment. Special attention should be paid to improving the prevention and treatment of psychiatric illnesses, as this is often the largest youth health issue. Stronger focus on fighting drugs and improving treatment programs must also be addressed. These are issues of major importance for too many youngsters in Europe. In these matters we don’t have any time to lose and the EPP will prioritize our European youth demands.
Globalisation is an unavoidable phenomenon which, by increasing trade, also multiplies development opportunities for all countries capable of adapting to it. But if not mastered, it causes imbalances and inequalities and entails risks which national governments are no longer able to cope with.

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

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

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

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

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

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

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

**A. Integration of CFSP into Community structures**

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

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

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

- The Union Minister for Foreign Affairs would have the right to initiate new developments in the field of the common foreign policy as well as regarding the common security and defence policy, and would carry them out as mandated by the Council of Ministers. Implementing decisions would be taken by majority vote as a general rule, excluding decisions having military or defence implications.
- He would have the administrative, diplomatic and budgetary tools necessary for performing his missions, mostly derived from the Commission but also transferred from the Member States for pooling expertise. Within this framework, the Union would have a unified network of external representations (embassies).

- In the international organisations dealing with problems falling under the CFSP, it will now be the Union which represents the Member States. Where that does not prove to be possible in the short run, the Member States pledge to consult each other and to take common decisions according to procedures adapted to each one's power.

- Each year, the European Union provides itself with the budget appropriations required to fund the CFSP.

**B. Main themes of the CFSP**

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

1. **Freedom, peace and security**
2. **Creating equal opportunities**
4. **Sustainable development**
4. **Democracy, respect for human rights and good governance.**

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

a) develop a series of preferential partnerships;

b) foster international cooperation, and more particularly strengthen multilateral bodies.

1. **Freedom, peace and security**

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

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

- improving dialogue and cooperation with states or regions that are victims of these conflicts by offering its assistance or mediation;

- combating terrorism: refer to the Chapter II section on security;

- supporting democratic development in other parts of the world, upholding the United Nations Charter of Human Rights and international law;

- encouraging and supporting the action of humanitarian organisations that actively work at local level to promote all forms of development which reduce the attractiveness of banned crops or activities;
- establishing military capabilities strong enough to support the political aims of the Union regarding peace enforcement and crisis management in order to contribute to the upholding of international law and peace operations under the rule of the United Nations;
- providing technical, financial or military assistance to actions to maintain law and order under the auspices of the United Nations;
- controlling and eliminating trafficking in weapons;
- for conflicts of a broader dimension: refer to Section II on the European defence policy.

2. Creating equal opportunities

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

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

a. Equitable world trade through strengthening the WTO

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

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

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

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

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

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

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

- through a stronger focus on the specific needs of the world's poorest countries;
- through a more decentralised and less bureaucratic approach to the management of programmes;
- through greater consistency and coordination between the actions conducted by the Member States and those carried out at Union level and also through better coordination among donors;
- through promoting the philosophy of entrepreneurship and SME based economic development which was the basis of the economic development of the new rich countries and which will work the same way to develop accordingly;
- through a shift from single-project management to broader sector approaches promoting national ownership in the recipient countries;
- through positive examples of macroeconomic policy making like simple and transparent tax systems and efficient administration and market based reforms;
- through integration of the European Development Fund into the Union budget;
- through support for the initiatives of NGOs, and more particularly to the 'GAYE' (Give as you earn) initiative that the EPP-DE group intends to launch.

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

3. Sustainable development

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

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

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

4. Good governance, democracy and respect for human rights

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

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

This is why the EPP will favour the multilateral approach and regional or intercontinental agreements. It will support the initiatives of NGOs and make the adoption of aid programmes conditional upon respect for certain principles of good governance defined in common with the countries receiving aid.
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;
- consolidate peace in Afghanistan and promote dialogue with the Arab and Muslim world. The political
dialogue with Iran and negotiations aimed at the conclusion of a co-operation agreement should also
be pursued, with the understanding that Iran should fully comply with its international obligations
concerning its nuclear development programme;

- increase our efforts in the framework of the Cotonou Convention to support all economic, social and
political developments in Africa with a particular emphasis on combating the AIDS epidemic;

- back up the positive trends in many African countries towards fighting corruption, building democracy
and prioritising the social sector, especially through the strengthening of the already existing
development partnerships with the least developed countries and also by supporting the NEPAD
initiative, assisting the establishment of an African Union, supporting the emerging African Union and
stepping up the appropriate support structures for an African model of political and economic
integration along the successful European lines;

- develop relations with the Association of South-East Asian Nations (ASEAN) and accelerate the
ASEM process: relations with these organisations are vitally important to conflict prevention in Asia
and the promotion of political stability;

- deepen our relations with the countries of Latin America, promote MERCOSUR, and pay special
attention to the agreement of economic association, political coordination and cooperation between
EU and Mexico.

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

Most of the international organisations, in particular the United Nations, created in the immediate post-war
era have proven their usefulness. Their contribution to international stability, to economic development, to
conflict prevention, to the better management of land resources, to the protection of human heritage and so
forth - albeit not perfect or optimal - has proven positive. Nonetheless, they must be adapted to take account
of the new international situation and the new power relationships that have developed over the past 50
years. The Union must take the initiative in bringing about these reforms. To achieve them, it must put an
end to its own divisions.

EU Member States should also reflect on the best way to be represented in the structures of the various
international organisations. The EPP favours a single EU representation wherever possible, and certainly in
those organisations responsible for issues falling under the Union's competences. Where a single
representation is not possible, the Member States should pledge to coordinate their position.

Section II. A European defence policy

Whilst the non-military instruments of a common foreign policy are important and generally sufficient to
achieve the Union’s objectives in the world, it must be admitted that in certain cases, the objectives of peace-
keeping, peace-enforcing and conflict prevention will require military interventions.

Considering its place in the world economy, the Union cannot shirk its responsibilities and leave it up to the
United States alone, to provide security around the world, especially when the interests of Europe are at
stake.

Of course, the United Nations is the prime organisation for the arrangement of world-wide security
agreements and measures, and the Union must do all it can to enable the United Nations to respond
efficiently to the challenges of the modern world. Nonetheless, experience has shown that the Security
Council can be paralysed or find itself in a situation where the national contributions to UN intervention
forces are inadequate. In such cases, it might be required that the Union takes action, either in the framework
of NATO or under the ‘lead nation’ concept, as already agreed in Helsinki.
For many years, the European security and defence policy was focussed on territorial defence in anticipation of an invasion threat from the Warsaw Pact. In countering this threat, NATO has undoubtedly been the most durable and effective alliance of all times, since for fifty years it has been able to secure peace without having to wage war. Consequently, Europe had no need for a defence policy other than the one assumed by NATO. However, since the end of the Cold War, the security environment has changed dramatically, requiring not only an adaptation of NATO, but also a European response.

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

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

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

Capabilities

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

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

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

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

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

Finally, as part of the European security strategy, we should study the adoption and application of a mutual assistance and defence clause, similar to the one existing in NATO and WEU Treaties.
CHAPTER VI. A GOOD EUROPEAN GOVERNANCE

A. A strong Europe

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

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

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

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

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

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

B. A well-run Europe

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

Section I. The means to realise our ambitions

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

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

This is why the EPP favours:

- narrowing political priorities in relation to the exercise of the Union’s powers;
- ensuring a qualitative improvement in the implementation of the Union's policies, by defining performance criteria;

- making national and regional governments more responsible for the money they receive from the Union budget;

- increasing the investment components of the current budget, to achieve a better balance between investments and subsidies;

- establishing a new modern and dynamic concept of financial planning, so as to ensure the necessary budgetary flexibility as well as the provision of sufficient budgetary means to attain its policy objectives;

The advantages of a system of own resources compared to a system of national contributions are obvious in terms of autonomy, efficiency, transparency and accountability. That is why the EPP promotes a rebalancing of the Union budget in favour of a larger part of own resources but on the following strict conditions:

1. It should not increase the total fiscal pressure on citizens.
2. It should contain provisions to guarantee a fair share of the burden among Member States and remain proportional to the contribution capacity of each of them.
3. The total product from own resources should remain in line with the amount strictly necessary for the implementation of the agreed common policies.

Section II. The democratic management of resources

Citizens’ perception of the Union's budget problems is negative, reflecting the budget disputes within the Council of Ministers.

In this respect, the EPP proposes the following:

1. Increasing accountability and transparency in the management of EU funds.

2. Consolidating Parliament’s rights in the budget procedure.
   - Financial regulation must be approved according to the codecision procedure.
   - The distinction between compulsory and non-compulsory expenditures must be eliminated.
   - Parliament should fully participate in defining political priorities and monitoring their implementation.
   - Parliament must have the right of codecision in the area of own resources.

3. Opening up and transparency of budget procedures.
   - To correctly fulfil its discharge authority, Parliament must have access to all relevant documents, and should be able to summon civil servants who have budget powers to appear before it.
   - Parliament and the Commission will be intent on making simplified presentations for public consumption of the major budget choices and their justification.

4. Protecting the Union's financial interests.

The fight against fraud must be waged at all levels and effective measures must be taken to protect the Union’s financial interests. The EPP supports the creation of an independent body specialising in investigating this type of fraud. The priorities should be:
to combat the misuse of European Union funds, and to try and identify the causes and ensure the
reimbursement of wasted funds;
- to strengthen OLAF by seeking its total independence from the Commission;
- to combat fraud in the collection of own resources.

5. Pursuing the reform of the institutions and enhancing their legitimacy.

a) The Commission must:
- monitor the implementation and results of the overall reform of the European Commission;
- examine the effectiveness of the reform, especially as regards human resources policy and the opening
  up to external scrutiny;
- make the commissioners more responsible for the money managed under their portfolio.

b) The Council must:
- introduce the responsibility of the Council of Ministers for the financing the operational
  aspects of its activities.