

Study Days
17 - 18 September 2003
Madrid

PROGRAMME

Wednesday 17 September 2003

0900 - 0945 hrs.

OPENING SESSION

Hans-Gert POETTERING MEP, Chairman of the EPP-ED Group in the European Parliament

Mariano RAJOY BREY, Secretary-General of the Partido Popular, Candidate for the Presidency of the Government

Gerardo GALEOTE MEP, Head of the Spanish delegation in the EPP-ED Group in the European Parliament

0945 - 1100 hrs.

**THEME I: A KNOWLEDGE-BASED ECONOMY:
PROMOTE COMPETITIVENESS**

Chairman:

José Ignacio SALAFRANCA SÁNCHEZ-NEYRA MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

Speakers:

Jonathan EVANS MEP, Head of the UK delegation of the EPP-ED Group in the European Parliament

Luis DE GUINDOS, Secretary of State for the Economy

Discussion

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Conclusions: Othmar KARAS MEP, Treasurer of the EPP-ED Group in the European Parliament

1100 - 1130 hrs. Address by José Maria AZNAR, Prime Minister of Spain

1130 - 1215 hrs. **THEME II: EUROPE IN THE WORLD: THE NEW SECURITY CHALLENGES**

Chairman: Wim van VELZEN MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

Speakers: Ana PALACIO VALLERSUNDI, Minister of Foreign Affairs (Spain)

Jaime MAYOR OREJA, Deputy Secretary-General of the Partido Popular and Spokesman of the Basque Popular Parliamentary Group

Discussion

Conclusions: Elmar BROK MEP, Chairman of the Foreign Affairs Committee

1215 - 1300 hrs. **THEME III: EUROPEAN CITIZENS: THE GROWING NEED FOR SECURITY**

Chairman: Francesco FIORI MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

Speaker: Angel ACEBES PANIAGUA, Minister of the Interior (Spain)

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Conclusions:

Hubert PIRKER MEP, Coordinator of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs

1530 - 1730 hrs.

**THEME IV: SUSTAINABLE DEVELOPMENT:
BUILD FOR THE FUTURE**

Chairman:

Françoise GROSSETÊTE MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

Speakers:

Rafael RODRIGUEZ PONGAS, Secretary-General of the 'Agencia española de cooperación internacional'

José Ignacio SALAFRANCA SÁNCHEZ-NEYRA MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

Discussion

Conclusions:

Giorgio LISI MEP, Vice-Chairman of the Italian delegation in the EPP-ED Group

1730 - 1830 hrs.

**THEME V: SOUND FINANCIAL
MANAGEMENT: THE NEED FOR RIGOUR**

Chairman:

James ELLES MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

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Speaker: Diemut THEATO MEP, Chair of the Budgetary Control Committee

Discussion

Conclusions: Hartmut NASSAUER MEP, Head of the German Delegation of the EPP-ED Group in the European Parliament

Thursday 18 September 2003

0900 - 0930 hrs.

PRESENTATION OF THE 'POLITICAL PRIORITIES OF THE EPP-ED GROUP FOR 2004 - 2009'

James ELLES MEP, Vice-Chairman of the EPP-ED Group in the European Parliament

0930 - 1015 hrs.

EUROPEAN ELECTIONS 2004

Othmar KARAS MEP, Treasurer of the EPP-ED Group in the European Parliament

1015 - 1115 hrs.

Discussion

1115 - 1130 hrs.

Conclusions: James ELLES MEP and Othmar KARAS MEP

1130 hrs.

Press conference

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Opening session



Hans-Gert Poettering, Chairman of the EPP-ED Group

Hans-Gert Poettering, Chairman of the EPP-ED Group, opened the discussions by welcoming Mariano Rajoy, the new Secretary-General of the Spanish Partido Popular and his party's candidate for the Spanish premiership. Mr Poettering expressed the fervent hope that, when Mr Rajoy next visited the EPP-ED Group, he would do so as Prime Minister of Spain.

Mr Poettering said that the Madrid study days would be an opportunity to address several particularly important matters, such as promoting competitiveness. In this context, he welcomed the action of José María Aznar's Government in encouraging the reform of the labour market and bolstering the euro.

Among the other subjects under examination would be the political challenges relating to global security, particularly in the wake of the Iraq experience. In the face of these challenges, Mr Poettering emphasised, the EPP-ED Group advocated a strong Europe in terms of defence and security, acting in partnership with, not in opposition to, the United States.

Referring to the position adopted by the German Government on this matter, he regretted that a country could take a unilateral stance without prior discussion of the issue with its European partners.

Another subject of these study days would be the response to the need for public safety within the EU. The EPP-ED Group called for a high degree of cooperation between police forces to fight crime and for effective controls at the borders of the EU. The latter requirement, said the Chairman, would become even more urgent in the wake of the forthcoming enlargement of the EU.

As far as sustainable development was concerned, the EPP-ED Group was aware of the importance of the policies that had to be adopted to protect the environment, and its paramount aim was to press for the earliest possible adoption of the Kyoto Protocol.

The final subject of these study days in Madrid would be the need for strict control of EU expenditure.

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Gerardo Galeote Quecedo, head of the Spanish delegation in the EPP-ED Group

Gerardo Galeote Quecedo, head of the Spanish delegation in the EPP-ED Group, stated that 2003 was a very important year for Spain. The Spanish Partido Popular had won the local and regional elections in May, but the regional elections in Madrid and Catalonia would be taking place in October, followed by the general election in March 2004 and the European elections on 13 June 2004.

He hoped that Spain would be able to ratify the European Constitution in June 2004. He conceded that the draft presented to the IGC was not perfect. A majority of the Group believed there should be an explicit reference to Christian values, and the Spanish delegation hoped that the Heads of State and Government could improve the institutional chapter.

Nevertheless, he emphasised, everyone agreed that the EP delegation had done good work within the Convention and that its input had faithfully reflected the resolutions of the European Parliament.

The Financial Perspective for the 25-member EU would soon be discussed, and it would be essential to bear in mind the need to safeguard the principle of cohesion. To this end, decisions of considerable importance were to be taken over the final months of the current parliamentary term.

Mr Galeote Quecedo believed that compliance with the agreements concluded by the Member States in 1992 on the convergence criteria and in 1997 on the Stability Pact was a moral imperative on which the confidence of the electorate depended.

In Spain, he concluded, his party would do everything in its power to help the EPP-ED to victory in the elections of 13 June and to remain at the heart of the European integration process.



G. Galeote Quecedo, Head of the Spanish delegation in the EPP-ED Group; M. Rajoy Brey, Secretary-General of the Spanish Partido Popular; H.-G. Poettering, Chairman of the EPP-ED Group

Mariano Rajoy Brey, Secretary-General of the Spanish Partido Popular, said that he was delighted to be present at the opening of the EPP-ED study days in Madrid. He was certain that the outcome of the study days and the documents adopted there in the light of the forthcoming European elections of June 2004

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would help to enrich the vision of the EPP-ED with regard to the European construction process.

These study days were important, he said, because in the coming year Europe would reach one of its most significant milestones on the road to integration. The European edifice would develop in two directions: on the one hand there would be the most ambitious and complex enlargement in its history, and on the other hand it was set to become more cohesive.

The Treaty of Accession, signed in Athens in April of this year, marked the completion of preparations for a historic enlargement, healing the scar left by the Second World War. The IGC, which would begin its deliberations in October, would draw up a Constitutional Treaty on the basis of the work done by the Convention on the Future of Europe, thereby reforming a European legal structure that successive treaties had made increasingly complex.

Mr Rajoy reaffirmed the commitment of the Spanish Partido Popular to this process of European integration, which was consistent with the pro-European sentiments of the Spanish people.

Spain's entry into the European Communities, he said, had had beneficial social, political and economic effects as well as enriching the other Member States. The Spanish Partido Popular wanted Spain to keep helping to generate this impetus for the consolidation of the Union. Mr Rajoy recalled the resolute and continuous contribution of the Spanish Government to the efforts to create a genuine European area of freedom, security and justice. The terrorist threat and the outrages of 11 September 2001 had highlighted the need for a qualitative leap in the fight against terrorism. A European action plan had been adopted, comprising advances such as the introduction of a European arrest warrant and joint committees of inquiry and the

compiling of blacklists of terrorist organisations. On the ground, efforts to combat terrorism and organised crime would have to be intensified.

Immigration, said Mr Rajoy, was another major challenge that had to be met. It was a highly complex phenomenon which transcended national frontiers. There was a need to tighten border controls and to come up with a European response. The conclusions adopted by the European Council at its Seville meeting represented very significant progress on immigration policy. Europeans must continue to cooperate in the search for more effective solutions.

The Spanish Partido Popular wanted Europe to play a more important role on the international stage. National responses could not suffice if they were made in isolation, and Mr Rajoy emphasised that this was why the Spanish Government had always backed a common foreign, security and defence policy in which qualified majority voting would be the norm. His party therefore advocated a common security and defence policy and believed that it should also cover the fight against terrorism and weapons of mass destruction.

In the economic domain, the Partido Popular Government had taken the decision for Spanish participation in the adventure of the single European currency. Throughout its years of office, the Government had backed policies designed to promote integration within the internal market, to make Europe more competitive in the global marketplace and to improve people's living standards. The solidity of the European economy would also serve to make Europe a stronger player on the international stage.

Moving on to institutional matters, Mr Rajoy emphasised the twofold legitimacy of the European Union, which was both a union of

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states and a union of the people of Europe, represented in the European Parliament. This dual legitimacy, he said, must be safeguarded. While it was not the goal of the European Union to replace the Member States, this was clearly an age of integration rather than sterile isolation and irresponsible protectionism. There was a need to maintain the fundamental balance to be found in the institutional triangle of the European Parliament, the Council and the Commission, thereby preserving the essential features of the Community method.

With regard to the European Parliament, the representative assembly of the European people, Mr Rajoy was in favour of its powers being strengthened by the extension of the codecision procedure into new areas. The succession of reforms enshrined in the various treaties had steadily increased the powers of the European Parliament, and the new Constitutional Treaty must not arrest or reverse that development.

Respect for human rights, said Mr Rajoy, was one of the fundamental values of the EU. The Charter of Fundamental Rights should be incorporated into the future Constitutional Treaty, which would make it legally binding.

The IGC was due to begin in the month of October, and Mr Rajoy expressed the hope that its discussions would bear fruit and that the Treaty which emerged from it would equip the enlarged Union to meet the challenges it faced at home and in the wider world. Europe, he said, must play a leading role on the international stage. He hoped that the forthcoming Treaty would preserve the interinstitutional agreements and the institutional balance and that Spain could contribute to these developments within the European institutions.

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**TOPIC I: A KNOWLEDGE-BASED
ECONOMY - PROMOTING
COMPETITIVENESS**



J. I. Salafranca Sánchez-Neyra, Vice-Chairman of the EPP-ED Group

José Ignacio Salafranca Sánchez-Neyra, Vice-Chairman of the EPP-ED Group, opened the discussions on the first topic with a reference to economic and monetary union, raising the issue of the Swedish referendum, in which the voters rejected the proposed adoption of the single currency, and stressing the importance of the lessons to be learned from this rejection.

Mr Salafranca focused on the Spanish experience. Spain was one of the five largest countries in the euro area and had experienced a growth rate of 2.3% over the past year, compared with the EU average of 0.4%. In the present climate of crisis regarding adherence to the Stability Pact, he underlined the need to identify the prevailing trend and to establish how this economic growth could be maintained and strengthened.



J. Evans, Head of the UK delegation in the EPP-ED

With regard to the results of the Swedish referendum, **Jonathan Evans**, head of the UK delegation in the EPP-ED, emphasised that the Conservative Party had no intention of supporting any move to hold a referendum before the next parliamentary elections.

Mr Evans emphasised the need to rekindle the competitiveness of the EU economy. In the nineties, under the Partido Popular, Spain had experienced the same economic miracle as the United Kingdom in the eighties. Four and a half million new jobs had been created in Spain since 1996. In order to achieve this, the Aznar Government had applied two key principles, namely lower taxation, which stimulated consumption and therefore increased the volume of fiscal revenue, and the reduction of the part played by the public sector in the economy as a whole, which creates jobs by stimulating the generation of wealth and letting private enterprise prosper. In short, the reformist Government of the Centre-Right in Spain had shown what could be done to foster economic growth.

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According to Mr Evans, no policies other than those of the Centre-Right were truly capable of achieving the economic reforms that were needed. Whenever governments of the Centre-Right had the courage to act and adopt painful but effective reforms, he said, economic and electoral success would follow.

Competitiveness, he said, was a *sine qua non* of future electoral success - not because competitiveness was an end in itself, but because it was a factor in the creation of wealth and employment. Eurobarometer surveys consistently revealed that employment was one of the primary concerns of European voters. Over the past few years, the Left had adopted some of the tenets of Centre-Right policy, but Mr Evans feared that they were only paying lip service to these principles.

In 2000, the left-wing governments which were then in the majority within the Council, had set the Lisbon objectives. Since then, however, no significant changes had taken place. The business climate and job growth, indeed, had deteriorated over the past two years. The Socialist Governments had not kept their promises. Mr Evans regretted that there had been a degree of regression from the Lisbon objectives. Despite the election of some Centre-Right governments, there had not been any significant decline in unemployment, and measures leading to job losses and stifling competition were still on the agenda of the European Parliament.

Taking as an example the case of the United Kingdom, where the Labour Government had played a part in creating jobs but only in the public sector, Mr Evans said that this was not what he understood by a knowledge-based economy. In the long term, he said, it was not governments that created jobs but businesses, and in order to do so they needed to be competitive and profitable.

This lack of progress in the achievement of the Lisbon objectives had also been faulted by the OECD. In a recent report, the OECD had emphasised that the prospect of making the European economy the world's most competitive and dynamic economy by the year 2010 was already becoming more remote. Unless action were taken to remedy the present rigidity of structures and institutions, the gulf between the US economy and that of the euro area would continue to widen. The problem, therefore, stemmed primarily from structural defects and a lack of political will to rectify them. Unless the European Union discovered that political will, its influence on the world stage would decline. And the key to that political will was held by the Centre-Right.

Mr Evans was pleased to note that the identification of the measures required for the application of the Lisbon strategy was an integral part of the document enumerating the priorities of the EPP-ED Group.

He thought that it might perhaps be appropriate to put greater emphasis on the need for an increase in public and private investment in human capital and in research and development and on the promotion of the spirit of free enterprise and of a pro-business climate.

The EPP-ED document, he said, rightly identified SMEs as the engine of the European economy. Ninety-nine per cent of businesses in the European Union were SMEs, and they provided 66% of all jobs in the EU.

The creation of an economy in which SMEs and entrepreneurs could establish themselves, innovate and prosper must therefore be the focal point of a Centre-Right vision for the promotion of competitiveness. As the document on the priorities of the EPP-ED Group suggested, this policy should be founded on the following principles:

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- flexibility in the labour market,
- removal of regulatory barriers, and
- lower taxation.

Mr Evans particularly welcomed the clear commitment made by the EPP-ED Group to a reduction in taxation which would help to make the European economy more flexible and dynamic.

In his view, a flexible labour market was fundamental to a competitive economy.

He believed that the Commission, and the European Parliament too, should adopt a more rigorous approach whenever new regulations were being adopted. In the manifesto of the Conservative Party was a pledge to adopt, during the next Parliament, a new mechanism whereby the expected cost and the estimated benefits of every proposed legislative amendment would be subject to examination. The Commission, said Mr Evans, must also be encouraged to subject legislative bills to analysis in order to provide evidence that their benefits exceed the risks which would be incurred if the proposed legislation were not adopted.

One practical method of guaranteeing such analysis would be the creation of a deregulation committee within the European Parliament.

In conclusion, Mr Evans wished it to be emphasised that the stakes were high in the forthcoming European elections: the dividing line, in his view, was clearly drawn between the Left, whose main concern was that the cake should be divided as fairly as possible, which would result in a steady reduction of the wealth available for distribution, and the Centre-Right, which had to show that the cake could and must grow in size, and on the basis of this increase in wealth, everyone could obtain his or her fair share.



L. de Guindos, Secretary of State for Economic Affairs at the Spanish Ministry of Economics

Luis de Guindos, Secretary of State for Economic Affairs at the Spanish Ministry of Economics, reminded the participants that Europe's growth rate was far lower than that of the United States and that this concern was at the root of the action programme drawn up in Lisbon.

Negative growth rates were being registered in 80% of the euro-zone countries and in 70% of all Member States of the European Union. Spain, however, had recorded a growth rate of 2.5% last year against the background of a European economy in crisis.

Mr de Guindos gave three reasons for this particularly healthy situation in Spain:

First of all, the single currency had created a climate of stability within which the Spanish economy had been able to grow. For the first time, the Spanish economy had been able to sustain a cut in interest rates in the depths of a financial crisis.

Secondly, the balanced budgetary situation in Spain had enabled the automatic stabilisers to function and thereby cushioned the effects of the economic slowdown. The balanced budget

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had also allowed Spain to reform its income-tax system. The Stability Pact crisis, Mr de Guindos emphasised, was not a new phenomenon that had reared its head in the years 2002 and 2003. The countries that were experiencing difficulties during the present slump were those which had not reduced their public deficits sufficiently since the start of the year 2000.

The third factor related to privatisation, liberalisation, the introduction of competition and the improvement of regulatory instruments. He cited as examples the liberalisation of the markets in telecommunications, energy, professional services and transport, which had helped small and medium-sized businesses to become more competitive.

Another major improvement related to the labour market, where more than four million jobs had been created and a 24% unemployment rate had been reduced to 11%. In particular, the substantial increase in the activity rate had been due in great part to the integration of young people and of women into the labour market, and Spain's activity rate was now close to the European average.

Spanish economic growth had therefore translated into the creation of jobs. Over eight years, the number of jobs had increased by 27%, compared with a European average growth of 10%. Although many of these new jobs were part-time, they nevertheless strengthened the link between society and the labour market. The fact that the Spanish economy has performed better than the European economy over the past few years, said Mr de Guindos, indicated the strategy that should be adopted, namely the pursuit of budgetary stability, the reduction of taxes, leading to increases in consumer demand, investment and savings, and liberalisation efforts in accordance with the Lisbon priorities.

Mr de Guindos was convinced that the next Spanish Government would be led by the Partido Popular and that it would be able to continue the pursuit of these policies.



G. Galeote, Head of the Spanish delegation in the EPP-ED Group; H.-G. Poettering, Chairman of the EPP-ED Group; J. Elles, Vice-Chairman of the EPP-ED Group; O. Karas, Treasurer of the EPP-ED Group

Othmar Karas, Treasurer of the EPP-ED Group, concluded the discussions on Topic I by emphasising the difference between the EPP-ED Group and its rivals.

The Socialists, he said, favoured government regulation rather than competitiveness, the free play of market forces and flexibility. Their policies encouraged indebtedness instead of establishing monetary stability and keeping inflation under control. The Socialists favoured the preservation of the *status quo* rather than the pursuit of policies focused on the future and of essential reforms. They tended to blame their own omissions and failures on Europe instead of promoting the Community approach.

It was not a matter of reinventing the wheel but rather of honouring pledges. Among the

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aims of the proposed Constitution was the creation of a highly competitive Europe with balanced growth rates. Mr Karas reaffirmed that the EPP-ED Group favoured an unimpaired single market and a social market economy. The Group, he said, had to honour its pledges.

Competitiveness and the single market had to be the key elements of the Group's policy, and that pro-employment policy would enable it to win people's votes.



*J. M. Aznar, Prime Minister of Spain;
H.-G. Poettering, Chairman of the EPP-ED Group*

**Address delivered by José María Aznar,
Prime Minister of Spain**

Mr Aznar was delighted to be present at the EPP-ED Group's study days, which he believed would play a decisive role in its preparations for the forthcoming European elections in 2004.

These European elections, he said, would undoubtedly enable the electorate to judge whether their governments had honoured their commitments and to assess the major decisions their governments had taken, particularly with regard to the Treaty of Nice and the strengthening of the powers of the European Parliament.

Today, Mr Aznar said, the EU had to meet two challenges, which were also two of the key aspirations of the EPP members, namely to preserve the spirit of Lisbon with a view to making Europe the most dynamic, competitive and prosperous region of the world and to ensure that the EU, as well as being an economic player, also becomes a political player on the global stage.

In the present period of agitation, intense activity and international difficulties, Mr Aznar recalled that these two challenges had already been enshrined in the preamble to the Treaty of Rome, which had defined the two *raison d'être* of the European Community, namely to perpetuate peace among the nations of Europe in its role as the forerunner of a future political Union and to guarantee shared prosperity among its Member States, which was an essential prerequisite for the maintenance of political unity.

Today, 45 years after the Treaty of Rome entered into force, it was possible to update these messages by saying that, in order to be more European, the Union needed a clearer and more widely shared vision of its strategic and defence interests. It needed to pursue a programme that would promote stable, sustainable and continuous growth and to marry reforming zeal with realism in the economic domain. The EPP-ED Group in the European Parliament, Mr Aznar said, was best placed to generate the vital impetus required for the adoption of that policy.

From an economic point of view, he regretted that the EU had not made the qualitative leap expected of it in the light of the Lisbon agreements. He emphasised that the trade cycle could not be blamed for this lack of progress. Irrespective of cyclical effects, the European economy had been growing more slowly than that of the United States over the past 20 years. The underlying problem was a

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structural one, which had to be treated by means of structural measures. If these measures were not taken, everything pointed to a widening of the gulf between the European and US economies.

Since the creation of the EU was a relatively recent occurrence, Mr Aznar emphasised the need for every Member State, every institution and every political leader to pay particular attention to the imperative of honouring and fulfilling their commitments.

He believed that there were two types of politician, two types of government and, ultimately, two types of state: those that took their commitments seriously and those that did not. In his opinion, the governments of the Member States had to show that they belonged to the former category, because Europe had to distinguish itself by its reliability and by its ability to instil confidence both within and beyond its borders. And compliance with the terms of the Stability Pact was the best way in which it could signal its reliability. It was, he said, a matter of preserving the European consensus. A commitment had been made. It had been agreed that a public deficit and economic growth were mutually incompatible and that stability and growth were two sides of the same coin, namely the euro. This was a commitment that had to be honoured.

Mr Aznar also expressed his conviction that the presence of the EU on the international stage was an essential means of maintaining the global balance. It was therefore incumbent on the EU to assume a greater degree of responsibility in the realms of security and defence, particularly with a view to combating the new threat of massive terrorist attacks.

Mr Aznar did not believe, however, that Europe should be perceived as an opposite pole to the United States. Thinking in terms of opposition between the EU and the United States in the

field of foreign affairs would inevitably breed disunity within the EU itself. In this context, Mr Aznar suggested that an agreement between the Europeans and Americans on the Iraqi problem should be reached soon, because the lack of a common vision on this issue could only help those who pose the greatest threat to the West.

An agreement on military security, he said, ought to be possible. Following the NATO model, it could probably be a multinational force with a unified command structure and a clearly defined peacekeeping mandate. In fact, in a situation where there is a high risk of terrorist acts, as in Iraq, the military presence must not be maintained by an intervention force (which made it superfluous to discuss the deployment of forces under the UN flag) but by a multinational stability and security force.

With regard to the Intergovernmental Conference, which was due to begin in Rome on 4 October, Mr Aznar voiced some concerns. In deciding at its last meeting to convoke a convention to prepare the ground for the IGC, he said, the European Council did not intend to assemble a body that would seek the revocation of the Treaty of Nice. The Convention, however, had reopened the delicate and equitably balanced package on which consensus had been achieved after a great deal of effort in Nice. This consensus, enshrined in the Treaty of Nice, was right for most Member States and therefore better than the results of the Convention.

Mr Aznar also wondered whether the desire to amend a Treaty that had barely entered into force and which was still in the process of ratification in many of the applicant countries was a good precedent. He was sure that it was not a principle of good governance in a Europe of 25 Member States and would be difficult to justify to the people of Europe as a responsible and rational political act.

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However, as an advocate of stability, and especially of institutional stability, Mr Aznar expressed the hope that the conference in Rome would bring the Treaty establishing the Constitution of the European Union to fruition.

In conclusion, he voiced his conviction that the EPP would contest the European elections of June 2004 with the best possible electoral programme.

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**THEME II: EUROPE IN THE WORLD
- THE NEW SECURITY CHALLENGES**



W. van Velzen, Vice-Chairman of the EPP-ED Group; F. Fiori, Vice-Chairman of the EPP-ED Group

Wim van Velzen, Vice-Chairman of the EPP-ED Group, introduced the second topic of the Madrid study days, namely the new security challenges.

Mr van Velzen recalled that the traditional threats to security were diminished by the fall of the Berlin Wall and the end of the Cold War. Radical changes had occurred in the domains of internal and external security. The countries of Central and Eastern Europe were being integrated into the EU. A partnership agreement had been concluded with Russia. Long-term relations with Turkey had yet to be determined; some were advocating Turkish accession, while others favoured a different type of association.

The main area of concern was surely relations with the Arab, Islamic and Middle Eastern countries. The appearance of a new form of global terrorism would play a key part in reflections on relations with those countries.

We were confronted by new challenges, such as cybercrime. It was up to the European Union and its Member States to respond to these challenges with determination. Cyberterrorism was growing very rapidly, and its targets were the IT networks of energy and telecommunications companies as well as the banking sector. Symantec, one of the major producers of anti-virus systems and firewalls, suggested in its energy report that companies in the telecommunications and financial industries were each subject to an average of 30 attempts every week to hack into their computer systems. The risks to societies and to the financial world were considerable. Everyone was well aware of the recent major power failure in the United States. The 'blasterworm' virus had been activated. A great deal of time and effort had been required to reconfigure the IT systems of the energy companies, which had been thrown into utter chaos. The US Department of Homeland Security had decided not to reveal that the virus had been responsible, otherwise the furore would have been far greater. Where were these attacks coming from? Hackers in the first instance, but also a whole list of countries in which these hackers were based, headed by Hong Kong, South Korea, Iran, Kuwait and Peru. That, said Mr van Velzen, ought to make us reflect on the vulnerability of our energy-supply and communications networks and of our financial and banking systems. What action had been taken in the United States? Would the EU create a cybersecurity agency? There was already a National Cyber Security Division at the US Department of Homeland Security. If Europe decided to follow suit, it would have to cooperate with the United States and encourage the adoption of common investigation channels and sanctions. Hackers must not be able to continue operating with no risk of being caught. In the coming months, the EPP-ED Group would have to take initiatives in this crucial domain which posed formidable economic challenges.

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A. Palacio Vallelersundi, Spanish Minister of Foreign Affairs

Ana Palacio Vallelersundi, the Spanish Minister of Foreign Affairs, shared the views of Wim van Velzen regarding the gravity of the threat from cyberterrorism.

What, Mrs Palacio asked, were the new security threats that had to be confronted? Some threats were new, and some were appearing under an entirely different guise now that the Cold War was over. She emphasised the recent phenomenon of the 'privatisation' of war in its various manifestations: the struggle against arms-trafficking, against drug-trafficking, money-laundering and traffic in human beings and, finally, against terrorism.

Europe, said Mrs Palacio, was a legal construction. She stressed that the credibility of the European Union demanded that it honour its commitments. Addressing the issue of Turkish membership of the Union, she said that Turkey would be able to accede to the EU once it met the Copenhagen criteria. The Europe that

had to be envisaged from now on was therefore a Europe of 25 Member States plus Romania, Bulgaria and Turkey. According to Mrs Palacio, this Europe would play a major role in international politics and in the quest for global security - hence the importance of the Convention's deliberations on this matter.

So what was the main thrust of the European position in the international context? The first aim was the defence of Europe's values and principles. Europe was a legal entity. The European flag was the guarantor of democracy, separation of church and state, the free market and human rights.

The United States also shared those values. It was therefore a key ally. Whatever the transatlantic differences on matters such as the death penalty and Guantanamo Bay, Europe's relations with the United States should be strengthened for the fight against international terrorism, because both parties defended the same values and principles in the international political arena. It was therefore a matter of joining forces to promote the spread of those values throughout the world.

The corollary of that approach was that Europe had acquired an instrument, NATO, in which European nations cooperated with the United States and Canada. Accordingly, the European defence policy must not be designed to duplicate the work of NATO but rather to benefit from it.

Secondly, with regard to the challenges referred to above, Mrs Palacio said that priority should be given to crisis-prevention mechanisms. NATO was an international organisation that had come into existence because of the Cold War, and it now had to demonstrate that it could adapt to these new challenges. In particular, it had to develop a capacity for preventive action, involving entirely different types of mission, far removed from

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the purely military and strategic origins of NATO. The Prague agreements met this need for NATO to adapt by providing for the inclusion of civilian specialists within its ranks.

The third aim was to take account of geographical factors and of the globalisation of the threat to European security. As soon as Turkey joined the EU, the Union would become a political entity with a very conspicuous presence in the wider Middle East region.

This explained the importance of the EU's Wider Europe-New Neighbourhood policy. Iraq was not yet part of this policy. This was reasonable in so far as the Union's neighbours were Poland, the Czech Republic and the other countries whose accession was imminent. Europe's relations with its neighbours had therefore been conducted in the framework of the pre-accession strategy. In a Union of 25+2 Member States plus Turkey, however, countries of the former Soviet Union and the Middle East would become direct neighbours of the EU. The aims of the New Neighbourhood policy were to engage in more trade with these adjoining countries and to share with them the benefits of EU security policies. The EU has every interest in these countries' economic prosperity but also in their progress towards acceptable systems of government.

Mrs Palacio concluded by saying that Europe was based on laws and values which were shared by the United States and that the new security challenges could be overcome if both parties cooperated efficiently and pragmatically. To this end, Europe had two instruments, namely its participation in NATO and its Wider Europe-New Neighbourhood policy. These instruments had to be further developed so as to enhance the capacity of the EU to take preventive action with a view to averting future crises.



J. Salafranca Sánchez-Neyra, Vice-Chairman of the EPP-ED Group; J. Major Oreja, Deputy Secretary-General of the Partido Popular

Jaime Mayor Oreja, Deputy Secretary-General of the Partido Popular and head of the Partido Popular Group in the Basque Parliament, emphasised that terrorism had a greater impact on European societies and on the protection of civil liberties than any other current phenomenon.

With the benefit of five years' experience as Minister of the Interior in the Spanish Government, Mr Mayor Oreja outlined his views on the fight against terrorism. He pointed out that any attempt to anticipate the actions of a terrorist organisation must always be based on the worst-case scenario.

Cohesion, tenacity and confidence in its convictions were the key to Europe's effort to eradicate the evil of terrorism. Wars and the fight against terrorism were waged on different timescales. The fight against terrorism was a far lengthier struggle, and the enemy assumed more diverse forms. Terrorism appeared and disappeared, had periods of intense activity and spells of virtual inactivity. Months or even years after people thought it had ceased to exist, it would strike again. Time was always a factor in the fight against terrorism.

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What were the risks to the EU in today's interconnected world? What were its priorities in the fight against terrorism? The EU, said Mr Mayor Oreja, was an instrument at the service of human rights and values. Victims were at the heart of its policies. It should always seek to discover what was expected of it by those who suffered from terrorism and what it could do to ensure that terrorism did not continue to claim victims in the future.

Terrorists acted through organisations, many of which operated within networks, making it difficult to combat them. The characteristics of terrorism were always the same: a climate of hatred, a plan designed to instil fear and an organisation dedicated to the implementation of that plan and to the perpetuation of that climate. The EU had the opportunity to combat terrorism by targeting these characteristics. It should focus its efforts on dismantling the terrorist networks, both outside and within Europe.

Terrorists no longer operated within individual countries; they now operated internationally. The task of fighting them was not only a matter for the state that was the target of their attacks. The draft European Constitution was to be commended for highlighting issues relating to cooperation between police forces, judicial cooperation and the protection of civil liberties. These legal instruments would not go amiss in Europe's effort to demonstrate its cohesion and resolve in the war on terrorism.

Mr Mayor Oreja expressed his support for concrete European anti-terrorist projects. The fight against ETA, for example, ought to be the subject of a specific and realistic European initiative rather than being left to Spain alone. It was important that cooperation among various countries' police forces and judiciaries in the territory of the Union should be based on specific projects relating to real problems. The people of Europe could not experience the

reality of the Union unless it began to enrich their everyday lives in this way.

After September 11, which European nation could consider itself immune to the threat of terrorism? Europe was mature enough to furnish the rest of the world with reliable evidence that, by working together, its nations were capable of fighting terrorism.



E. Brok, Chairman of the Committee on Foreign Affairs

Elmar Brok, Chairman of the Committee on Foreign Affairs in the European Parliament, concluded the discussions on Topic II by stating that the events of 11 September 2001 had made people aware of the phenomenon of globalised terrorism. The obligation of the European Union to lend assistance dictated that it must commit itself to the fight against global terrorism.

National action was no longer sufficient; it was essential to act within a European and even an international framework.

Subscribing to the concept of the privatisation of war that had been expounded by Mrs Palacio, Mr Brok argued for a balance between prevention and active defence against terrorism in all its forms.

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But he also emphasised the need to recognise clearly that it was impossible to combat these threats without the Americans. That reality had to be acknowledged, and to this end the transatlantic alliance had to take on a new dimension. Europe and North America had the same interests because they faced the same threats and cherished the same values.

Mr Brok stressed the importance of the security of cyberspace and of the struggle that the EU had to wage in order to guarantee it.

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TOPIC III: EUROPE'S CITIZENS AND THEIR GROWING NEED FOR SECURITY



W. van Velzen, Vice-Chairman of the EPP-ED Group; F. Fiori, Vice-Chairman of the EPP-ED Group; E. Brok, Chairman of the Foreign Affairs Committee; O. Karas, Treasurer of the EPP-ED Group

Francesco Fiori, Vice-Chairman of the EPP-ED Group, opened the discussion of Topic III by emphasising that the people of Europe attached more and more importance to security, whether it be security against crime, safeguards against mass immigration, food-safety measures or security of supply. They wanted guarantees, a certain degree of protection, and many of them looked to the European Union for these. Security would therefore be a very important concept for the next legislative term and for the future.

As for the need to regulate immigration, Mr Fiori observed that there were three types of immigrants: asylum-seekers, economic migrants and others. All of these people would have to be absorbed, one way or another, into the societies of the European Union, and the host countries' welfare systems would have to be prepared for this influx.

Mr Fiori also focused on a communication problem in relation to public opinion. The way in which information reached the public would

have to be improved in order to prevent organised criminals from taking advantage of immigration.

All the participants in these study days, he said, came from countries that had long been part of the civilised world, and they should transpose all of this into the global context.



H. Pirker, Coordinator of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs; A. Acebes Paniagua, Spanish Minister of the Interior; J. Mayor Oreja, Deputy Secretary-General of the Partido Popular.

The Spanish Minister of the Interior, **Angel Acebes Paniagua**, addressed the general question of the new security situation in Europe. He emphasised that people in Europe in general were demanding an increasingly high degree of security. And indeed it was impossible for people to exercise their freedom and rights in an area where an adequate level of security was not guaranteed.

Mr Acebes identified three major threats to the EU, namely terrorism, organised crime and human trafficking.

He highlighted the emergence of new forms of crime and lawlessness. Organisations were conducting cross-border, multinational

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operations, using vast material resources and taking advantage of the freedom guaranteed within the EU to move people and capital. They also exploited the information and communication channels created by the globalisation process in order to ensure that they operated effectively and with impunity.

It was undoubtedly true, said Mr Acebes, that tangible progress had been made in the EU the fight against organised crime, such as the replacement of extradition proceedings by the European arrest warrant, the convergence of laws and the creation of Europol, Eurojust and joint investigation teams, but that was not enough.

Mr Acebes emphasised that criminal networks operated today in a wide supranational area. Hence it was no longer possible to persevere with the traditional system in which the security services of each Member State operated in isolation within their own national territory. It was impossible to combat a criminal network today without basic investigation and information resources. Prevention and a police presence remained vital assets, but investigation was an absolutely indispensable weapon in the fight against organised crime. The fact was that effective investigation was impossible unless the various national police forces shared their information with each other.

Mr Acebes advocated closer police cooperation, with assistance from Europol, in the fight against organised crime, including a common automated ballistics-identification system, databases on DNA tests, databases cataloguing the identifying characteristics of members of terrorist organisations, etc. It was essential that all the European police forces cooperate with each other and that such cooperation be extended to include exchanges of information between European countries and other countries where criminal networks were based.



H. Pirker, Coordinator of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs; A. Acebes Paniagua, Spanish Minister of the Interior; J. Mayor Oreja, Deputy Secretary-General of the Partido Popular.

Hubert Pirker, EPP-ED Group coordinator for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, summed up the discussions.

He emphasised that it was the concept of security as such that required re-examination. He recommended the creation of a research laboratory for the study of the traditional types of threat as well as new threats such as cybercrime. In order to combat these threats, it would be necessary to find new approaches that struck a balance between prevention and active defence.

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TOPIC IV: SUSTAINABLE DEVELOPMENT - BUILDING THE FUTURE



F. Grossetête, Vice-Chairman of the EPP-ED Group

Françoise Grossetête, Vice-Chairman of the EPP-ED Group, opened the discussions on Topic IV by stating that, while protection of the environment was one of the main factors of sustainable development, it was far from being the only factor. The concept of sustainable development, she said, also had economic and social aspects as well as relating to people's quality of life, public health, food safety, agriculture, transport, energy policy and so on.

The EPP-ED Group regarded the concept of sustainable development as an across-the-board issue which should be systematically incorporated as a common denominator of all policies adopted at the European level.



*R. Rodriguez-Ponga, Secretary-General of the Spanish International Cooperation Agency;
F. Grossetête, Vice-Chairman of the EPP-ED Group*

Rafael Rodriguez-Ponga, Secretary-General of the Spanish International Cooperation Agency (*Agencia española de cooperación internacional*), emphasised that sustainable development was about building the future, not only in Europe but throughout the world. The concept of sustainable development was a new concept which related to the need to make development compatible with the well-being of society and with the protection of the environment and of the cultural heritage. It was a cross-cutting issue that was relevant to every public policy.

He recalled that the concept of sustainable development was of European origin. The other regions of the world, he said, did not interpret it in the same way. For some, economic development was paramount, whatever its impact on people's well-being or on the environment. Others believed that Europe had had the good fortune to develop economically without cultural or environmental constraints and that sustainable development was an idea dreamed up by the Europeans in order to impose limits on the developing countries.

Mr Rodriguez-Ponga focused on two aspects

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of development. The first was that development must be based on human dignity, and accordingly on the protection of human rights and individual freedoms, on equal opportunities and on the absence of discrimination based on sex, ethnic origin, language or race. The second aspect of development was that it must be achieved through the establishment of democratic institutions and through the recognition of the human rights and individual freedoms that were part of the social well-being that was indispensable to sustainable development.

Mr Rodriguez-Ponga emphasised that the impediments encountered by developing countries were, in fact, essentially of a political nature. This was observable in the case of countries which were blessed with numerous natural resources but which nevertheless remained underdeveloped because they did not have institutions that guaranteed public involvement in the political process and consequently suffered from a lack of freedom, from corruption and from the absence of the rule of law.

Development cooperation was a moral obligation. The future of humanity depended on the riches of the earth being shared. Building the future was a political commitment and involved generosity towards the developing countries. It also involved an education process that would enable those countries to create robust institutions to manage their natural resources.

The higher the level of well-being attained throughout the world, he concluded, the better would be the lives of Europeans too - not only present generations but also generations to come.



José Ignacio Salafranca Sánchez-Neyra, Vice-Chairman of the EPP-ED Group

José Ignacio Salafranca Sánchez-Neyra, Vice-Chairman of the EPP-ED Group, emphasised that the European integration project was based on values.

There was a need to focus attention on the developing world, which was in dire straits. Twenty per cent of the world's population consumed 80% of global output. One per cent possessed 56% of the world's wealth. There were 1.1 billion people with no access to drinking water and more than 2.5 billion with no access to sanitary amenities. More than a billion people lived in extreme poverty, and 20 000 children under the age of five died every day for want of access to medicines. In the United States, 3% of the world's population was able to produce more than 30% of its goods and services, a figure that China, with its 1.2 billion inhabitants, could not match, while Russia's total GDP was less than that of Switzerland.

These figures were eloquent testimony to the fact that a coordinated effort was needed at

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the global level with a view to developing, little by little, this concept of sustainable development.

Europeans, he emphasised, must demonstrate modesty in their demands and understanding of the needs of this planet. There was a need to intensify the pursuit of the main aims of the new millennium, namely the eradication of poverty and famine and universal access to education.

There was a need to set targets for the reduction of infant mortality, for the improvement of public health and for the containment of AIDS and other epidemics. It would be wrong to build sustainable development over the graves of the victims of economic injustice.

In the European Parliament, the EPP-ED Group had proposed various initiatives relating to water, global governance and links between governments, administrative structures and development. Sustainable development had been the subject of debate at the spring meeting of the European Council, and several initiatives had been proposed. Europe was now the world's number-one provider of development aid. This made it incumbent upon the EU to play a leading role in shaping the concept of sustainable development, particularly in the framework of the agreements it concluded with countries outside the Union. Mr Salafranca referred in this context to the new concept of green diplomacy developed by Commissioner Chris Patten.

This was why the EPP-ED Group had to argue for a global policy based on a dynamic economy, sensitive to social and environmental needs and focused on the need to achieve a balanced distribution of wealth, to eradicate poverty and to encourage technology transfers to developing countries.



G. Lisi, Vice-Chairman of the Italian delegation in the EPP-ED Group

Giorgio Lisi, Vice-Chairman of the Italian delegation in the EPP-ED Group, summarised the conclusions of the round-table discussions on Topic IV.

With regard to relations between Europe and its Third World partners, he said that the development policies of the past 20 to 30 years had not achieved convincing results. One important factor had been underestimated, namely the establishment of democratic institutions and governments and of good governance that would guarantee the defence of the general public interest. If the future impact of development policy was to be enhanced, it would be necessary to move up a gear. Besides providing material aid, as it now did, Europe would have to play a part in exporting democracy.

As far as the European continent was

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concerned, Mr Lisi emphasised that sustainability was not possible unless it was accompanied by development. Development was necessary to protect the environment. Progress was being made in Europe on waste-management policies, for example, but it had only been achievable through enormous investments in research and in the development of new products. It was possible to recycle 80% of the products that were manufactured today, but without the development of recyclable products and recycling technology there would now be mountains of waste that far outstripped current waste-management capacities.

Sustainable development was linked to growth. There was therefore a need to implement policies that promoted growth to the benefit of everyone and enabled much of humanity to emerge from underdevelopment.

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**TOPIC V: SOUND FINANCIAL
MANAGEMENT - THE NEED FOR
STRICT CONTROLS**



*H.-G. Poettering, Chairman of the EPP-ED Group;
J. Elles, Vice-Chairman of the EPP-ED Group*

James Elles, Vice-Chairman of the EPP-ED Group, opened the discussions on Topic V by emphasising the need to discuss the proper management of expenditure, the fight against fraud, the financial resources required to fulfil the Group's ambitions and the approach to medium-term planning for the EU.



*H. Nassauer, Head of the German Delegation of
the EPP-ED Group; D. Theato, Chairwoman of the
Committee on Budgetary Control; J. Elles, Vice-
Chairman of the EPP-ED Group*

Diemut Theato, Chairwoman of the Committee on Budgetary Control, emphasised the need for good and meticulous management of EU expenditure. She also emphasised the need to ensure that the European Parliament practised good budgetary and expenditure management.

She recalled that the EPP Group had initiated the creation of the Committee on Budgetary Control and that it had always been chaired by a member of the Group. In 1975, the Court of Auditors had been created in response to an EPP initiative and had begun its work in 1977. The Group had also been the driving force behind the creation of the Anti-Fraud Office OLAF; while its shortcomings and failures were not disputed, its establishment had been a necessary response to what had been happening under the previous Commission. The mandate of OLAF, particularly the extent to which it could operate independently, was not yet set in stone, and this was another point that would have to be revisited.

With regard to the control mechanisms within

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the European Parliament, Mrs Theato stressed the need to ensure that taxpayers' money was well managed and that expenditure was subject to proper scrutiny. She highlighted the discharge procedure, stating that the present system and the mechanism of postponing discharge created confusion. In practice, if a request to postpone discharge was refused in plenary, discharge could be granted automatically. This constituted a devaluation of the powers and obligations of Parliament, for the power to grant discharge did not lie with the Council or the Commission but with Parliament.

In future, given what was happening in the Eurostat case, some questions would have to be asked. To what extent was information actually being given to Members of Parliament? In this context, Mrs Theato pointed out that, under the terms of the Treaties, Parliament was to receive not only unclassified information but also information of a confidential nature.

Financial management within the Commission also had to be addressed. It was not only a matter of the Eurostat scandal; other defects merited closer examination. The Commission should be requested to present proposals with a view to the conclusion of a memorandum of understanding with OLAF.

As far as the new budgetary rules were concerned, there was a need to ensure that the necessary responsibilities were created at every level.

The more taxpayers' money the Union spent, said Mrs Theato, the greater the need for risk analyses and effective control of expenditure, and hence the more vital the role of the European Parliament.

In order to protect the Union's financial interests, it was necessary to fight fraud at every level. In Mrs Theato's view, that could

not be achieved unless OLAF were independent.

She regretted that the Convention's deliberations had remained very vague on the idea of a European Public Prosecutor. Some of its members had wanted the whole package, others had wanted none of it, and there had been little scope for compromise. Last week, the Budgetary Control Committee had delivered an opinion on the matter, but absolutely no account had been taken of it.

In conclusion, Mrs Theato emphasised that, whatever the growth of the budget, whatever the crises, such as the Eurostat affair, it would be necessary to emerge from the political rut before the next European elections and go to the electorate after having demonstrated sound management of the Union's finances. The EPP-ED Group within the European Parliament had been working towards that goal. Its efforts would be an excellent argument during the electoral campaign.

Hartmut Nassauer, head of the German delegation in the EPP-ED Group, emphasised that one of the key problems for the EU was the weakness of democratic control over the Commission. A vote of censure by the European Parliament, while possible in theory, would be particularly difficult to pass at the present time.

The draft constitution provided for changes that should give the European Parliament more effective powers of scrutiny.

Mr Nassauer also emphasised the control functions of OLAF, Eurojust and a European Public Prosecutor.

Nevertheless, he said, in spite of some irregularities and frauds, it must not be forgotten that the bulk of the budget was implemented in complete accordance with the rules.

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He believed, moreover, that criticism relating to expenditure should not focus exclusively on fraud. There were also some extremely bureaucratic procedures, for example, especially in connection with applications for twinning grants. This excessive red tape in the administration of requests for European funding should be the subject of detailed examination in the course of the next legislative term.

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PRESENTATION OF THE POLITICAL PRIORITIES OF THE EPP-ED GROUP FOR THE PERIOD FROM 2004 TO 2009



J. Elles, Vice-Chairman of the EPP-ED Group

James Elles, Vice-Chairman of the EPP-ED Group, presented the document setting out the political priorities of the Group for the period from 2004 to 2009. The document was the result of 18 months of deliberations within the Group. In November 2002, the first draft of the document had been produced and submitted to the Group for discussion, and then in September 2003 it had been referred to an amendments committee.

Mr Elles was gratified that the document that had emerged from this process was very clearly formulated and believed that it would be a major contribution to the political ideas that would form the basis of the EPP manifesto.

The document had been broken down into five priorities.

The first priority related to the need for a knowledge-based economy and the promotion of competitiveness. No amendments had been made to this point. Building a prosperous Europe for its people in the coming years was one of the fundamental priorities of the EPP-ED Group. Over the next five years, the Group was to set its sights on a competitive and dynamic Europe in which high priority was given to education and the development and use of new technology, a Europe in which a lively spirit of enterprise was guaranteed and where efforts were made to encourage the development of a framework in which the European Union could readily adapt to new economic circumstances.

As far as competitiveness was concerned, the document emphasised the importance of research and of the development of new technology in response to the challenges of the digital age.

The second priority related to sustainable development. The creation of a prosperous Europe was a necessary prerequisite for the achievement of the longer-term objective of sustainable development and for the construction of the Europe of the future. To make Europe a good place to live in, a link had to be forged in every area of legislative activity between a healthy environment and a strong economy. This applied to every dimension of public policy - the environment, energy, transport, regional development, agriculture, etc.

Demographic changes would also have to be taken into account so that the necessary financial resources could be released to respond to the ageing of the population. All of this was part of a large-scale political agenda which was set out in the policy document of the EPP-ED Group.

The third chapter of the document dealt with the need to enhance the security of the people of Europe. The people of Europe

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wanted to live in a Union that safeguarded their rights and protected their security. Action was therefore needed in three areas of personal safety and security:

First of all, internal security and stability had to be guaranteed within European societies. To this end, one of the aims of Group policy was closer cooperation among the European police forces and judicial administrations.

Secondly, the everyday safety of individuals had to be enhanced in the domains of food, health and consumer protection. Thirdly, the concept of European citizenship had to be fleshed out, with clarification of citizens' rights in relation to the European institutions.

The fourth chapter was devoted to the question of security in the wider context, namely Europe's role in the global security system and the new security challenges. In order to meet the challenges facing tomorrow's world and to shoulder its responsibilities in the sphere of international security, the European Union would have to establish a common foreign, security and defence policy and to fill the gaps in the Union's military capacity. The partial integration of the CFSP into the Community structure should enable the EU to have a higher profile on the international stage and to meet its commitments. In the framework of that policy, prime importance would attach to the reinforcement of Europe's strategic partnerships, especially its transatlantic partnership. At the same time, Europe should remain strongly committed to the financial aid it gave to developing countries as well as endeavouring to ensure that fair trade and development were the fundamental aims of the WTO trade negotiations.

The last priority formulated in the document related to the sound and rigorous management of resources. Unless financial resources were

properly managed and Community appropriations were disbursed in a transparent manner, it would be difficult to persuade the European public that a well-administered EU was in their own best interests.

There was therefore a need for greater accountability with regard to the expenditure of the EU. In order to combat fraud vigorously, the Group wanted a stronger OLAF which would ultimately be totally independent of the Commission.

In conclusion, Mr Elles emphasised that the various ambitious aims that the Group had set in the domain of sustainable development could not be achieved without a strong economy and a policy promoting the creation of wealth.

In the course of the discussions that had taken place within the Group and the European Ideas Network, important ideas had come to light and had been inserted into the document on the political priorities of the EPP-ED. The document contained a wide range of proposals that would enable the Group to distinguish itself from the other political movements. It was to be hoped that these proposals could be implemented. For that to happen, the Group's candidates had to be elected or re-elected. Mr Elles sincerely hoped that the electorate would back the candidates of the EPP-ED Group.

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THE EUROPEAN ELECTIONS OF 2004



O. Karas, Treasurer of the EPP-ED Group

In the view of **Othmar Karas**, Treasurer of the EPP-ED Group, the future belonged to those who could inspire hope. And indeed, he said, the Group could justifiably claim that the future belonged to it, because hope was the distinguishing feature of its philosophy.

As heirs of the ideas of Adenauer, De Gasperi, Schuman and Helmut Kohl, the Group was dedicated to a peacemaking project in which it wished to involve the people of Europe.

It wanted Europe to play a strong role on the international stage. The European Union would soon have 25 Member States and a population in excess of 450 million, and would account for 25% of global GNP. This Union made its members protagonists of the first order in global affairs. The EPP-ED wanted Europe to be not only a leading paymaster but also the main player on the world stage and to play a full part in the quest for global security.

The Group was aware that no country was capable of solving the present acute problems on its own.

It wanted Europe to act as a real community.

It wanted transparency, democracy and a process of decision-making in which the people were closely involved.

It wanted a Europe in which the rule of law, fairness and solidarity prevailed.

The Group proclaimed its unreserved support for the European internal market. The majority of the Group proclaimed its support for a single currency.

It proclaimed itself in favour of free and fair competition and of a stability and growth pact.

It believed in individual accountability and in the principle of solidarity with one's fellow human beings.

It wanted an international order based on effective multilateralism and regarded the Charter of the United Nations as the fundamental framework within which international relations should be conducted.

The EU must not be used as an excuse for national failings or as a scapegoat. Regions and peoples must not be played off against each other. On the contrary, the Group sought the creation of a basis of mutual understanding and joint responsibility. Unlike other players on the political stage, it wanted a future of friendship, not of hostile confrontation. It had no wish to cling to the *status quo* in the face of a compelling need for structural reforms.

There was no point, of course, in pretending that the European elections were not first and foremost national elections. The aim of the EPP-ED Group was not to go on the campaign trail but to inform national parties of its successes and failures and of its aspirations. It would add a European dimension to supplement the national campaigns for the election of its MEPs and its candidates.

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The campaign for the forthcoming European elections should be primarily designed to combat apathy, ignorance and misinformation. Information creates awareness, and that was where the Group's efforts should be targeted.

Next year would mark a major milestone in the history of Europe when the Union would be enlarged by the accession of ten new Member States and when the work of the Intergovernmental Conference would be finalised. All of this must serve as an incentive to ensure that decisions are properly ratified. A new political landscape was about to unfold in Europe. The influence of the European Parliament on decision-making processes would increase by virtue of the extension of codecision procedure. This was why particular importance was attached to these next European elections.

The people of Europe must be informed about the shape this new Europe would take, about the consequences of the changes that took place and about the results of the IGC and the Constitution. What would be the role of the EPP-ED Group in tomorrow's Europe? What role could be played by the MEPs of the largest Group in the European Parliament?

Since 1999, the member parties of the EPP-ED Group had received more votes from the European electorate and won more parliamentary seats than any other political group - not only in the 15 Member States but also in the future Member States, as was demonstrated by the number of observers who attended the EPP-ED meetings. A total of 37.2% of the seats in the European Parliament were held by members of the EPP-ED Group, which gave the Group particular responsibility. It wanted to remain in the driving seat. The national parties must therefore be strengthened so that they, in their turn, could strengthen the EPP-ED Group and enable it to retain its position as the largest group in the European Parliament.

The main concern of the EPP-ED Group during the coming European elections would be to mobilise its supporters. Turnout in European elections was normally lower than in regional or national elections and tended to lie somewhere between 7 and 30%. It was a fact that well-informed voters were more likely than others to be in favour of the EU. It was also an established fact that a well-informed individual was more likely to go to the polls than one who had been left in ignorance. So what message did the Group intend to communicate to the public? As the largest group in the European Parliament, it should tell them of its successes. What specific measures had the Group taken to improve people's lives? What were its common objectives for the new legislative term? What specific initiatives did it intend to launch during the next Parliament to improve people's everyday lives? How would it achieve these objectives?

The information campaign for the run-up to March 2004 would focus on four aspects:

First of all, there was a need to emphasise that the EPP-ED Group was the largest political group in the European Parliament.

What had the Group been able to achieve by virtue of this numerical strength in Parliament? The size of the EPP-ED Group enabled it to influence the setting of priorities. It determined the agenda of the EP and, when important matters were put to the vote, it won the day.

In what ways had the Group been able to influence Europe since 1999?

Its greatest successes were the enlargement of the EU and the outcome of the two Conventions. These were the two main areas of success that had to be highlighted. The important thing was the need for the Group to draw clear demarcation lines to distinguish itself from the other groups and to stress the

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objectives it had managed to achieve.

Secondly, it was incumbent on the Group to explain what it had done with this numerical advantage and why voters should continue to support it.

The Charter of Fundamental Rights had been a vital step in the enshrinement of civil rights within the EU. The Group had influenced the content and role of the Charter in the decision-making process.

In the realm of internal security, the fight against crime, terrorism and illegal immigration were all points that the Group wished to highlight.

In the field of foreign relations, it had helped to create a European voice, and the establishment of a European Foreign Minister had been one of its objectives.

As far as competition policy was concerned, the EPP-ED Group had resolutely pursued the goal of deregulation and liberalisation in its struggle against regulated markets and Socialist overregulation.

In the field of education and knowledge, lifelong learning had always been one of the main priorities of the Group's employment strategy.

It had also shown faith in the strength of European research and had played a key role in the configuration of the Sixth Framework Programme for Research and Development with a view to allocating more resources to basic research and the information society.

The creation of Europe's digital future was another of the Group's priorities.

With regard to the European economy, the Group had defended the resilience of the social

market economy and the Stability and Growth Pact against Socialist attempts to resort to borrowing as well as combating Socialist inclinations to rely too heavily on tax revenue to fund government intervention. The EPP-ED Group had ensured that the social market economy and sustainability featured in the draft European Constitution.

The Group had always sought to support small and medium-sized enterprises. Thanks to an EPP-ED initiative, 15% of the appropriations under the Sixth Framework Programme for Research and Development were earmarked for SMEs.

Safe and healthy food was another priority. The EPP-ED Group had sought to raise food-quality and food-safety standards. It had also played an active part in the work of the temporary committee of inquiry into the outbreak and spread of foot-and-mouth disease.

In the field of public health, the Group had called for more funds to be allocated to the fight against uncommon diseases and against age-related conditions.

Another point was the control of Community expenditure. The EPP-ED Group was in favour of transparency and of proper administration of budgetary resources. Since 1999, it had been endeavouring to promote the reform of the Commission as well as pressing for the Commissioners to be made individually responsible for their respective spheres of activity. The Group hoped that the Commission would exercise the same care in the use of budgetary appropriations as it demanded of Member States and regions and that it would not act recklessly or irresponsibly with taxpayers' money.

Why did the EPP-ED Group believe that people should vote for its candidates?

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Firstly, because its policies were designed to benefit the people, not the politicians.

Secondly, the Group wanted to demonstrate that the interests of Europe were synonymous with the interests of its people.

What were its common objectives?

It wanted Europe to be a safer place. It intended to fight illegal immigration and terrorism. It sought a strong foreign policy and a common defence structure. It wished to guarantee peace and stability in the world. It wanted dynamic growth and greater competitiveness in order to create more employment in Europe. It wanted high-quality benchmarks for the development of Europe's human resources, and it wanted Europe to compete successfully in the world market. It sought the removal of obstacles and barriers to competitiveness and to the single market. It also desired a Europe characterised by solidarity, not a Europe of winners and losers. It wanted sustainable development throughout the continent of Europe. It wanted a Europe of the people and the enshrinement of civil rights in the domains of health care and consumer protection. It was committed to dynamic regions and to the maintenance of the subsidiarity principle. It wished to create and shape the enlargement process in accordance with its own standards, because it wanted the new Member States to feel at home in the Union. It also desired a new form of partnership which would ensure that economic and political stability also prevailed in the countries that would be the new neighbours of the EU. And it championed the causes of transparency, sound stewardship of taxpayers' money and the individual political responsibility of the European Commissioners.

Thirdly, there was a need to draw up the communication programme without delay.

As far as the Group's external strategy was

concerned, it would need to coordinate its efforts with those of the national parties in the EU Member States. This would involve exchanging information, coordinating activities, creating European information networks, initiating or organising joint events and developing joint strategies. This presupposed that the large family of the EPP could be recognised as such by the people of Europe and that the European Group and national parties could support each other's efforts.

The Group would be organising events and displays in order to make its aims known, particularly when the Treaty of Accession was ratified in the various new Member States. Its MEPs should organise information meetings during their constituency week. It advocated special events that would identify it as a political group. The Chairman of the Group should visit the 25 Member States of the EU and should become a key European contact through whom the national electoral campaign could be bolstered. It was desirable that the Chairman visit the heads of the various EPP groups from the start of November in order to inform them about the Group's information and communication strategies and so that they can jointly adopt a common programme.

It was hoped that the exhibition on 50 years of the EPP and 25 years of direct elections would be sent to all the member parties.

Fourthly, the EPP-ED Group must produce an effective internal information programme in order to plan its joint activities and the provision of its services.

In the realm of internal communication, various preparatory activities were under way. The EPP-ED Group had to become a provider of services and information for the campaign. It wished to create its own public-relations team that would publicise the Group's successes. It hoped that each delegation would create a website to this end. These sites would be

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incorporated into the Group site. It wanted its information material to be disseminated to everyone through the Internet. The Group was in the process of creating a team of public speakers and its own media-support structure.

The preparatory work should be completed before the beginning of December to ensure that each national party and each Member of Parliament knew exactly what they could obtain from the Group in support of their electioneering activities.

The Group's input should be regarded as a complementary service. It could never replace local campaigning. Every party would, of course, have its own electoral programme, but the interfaces that had been created between these programmes would strengthen the Group as a whole.

The Group's political priorities and its communication strategy gave it a head start in the national campaigns.

In conclusion, Mr Karas said that the Group was keen, its preparations were on schedule, it was effective, and it was stronger and bigger than the other political groups. These, he said, were the assets of the Group, and it was now up to those present to turn them to advantage.

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