

**Resolution adopted at the EPP Congress, St. Julian's (Malta), 29 – 30 March 2017**

**Inclusive Growth — Everyone Must Benefit**

The financial and economic crisis of 2008 brought us to the verge of total economic collapse. Our economies have recovered since and have gotten people back to work. But not everyone feels this yet. We want everyone — old and young, rich and poor, male and female, city-dweller and rural resident — to be better off. This is our main goal.

Our ideals originate from fighting for equality of opportunity and making sure that everyone has opportunities to benefit. We believe that only sustainable economic growth can lead to long-lasting and prosperous recovery. Having a job is the most important source of income for many citizens, and their greatest protection against poverty. The risk of poverty for people at work is more than three times lower than for people out of work. We must make sure that we put in place inclusive policies which benefit every part of society and every citizen. We are against public spending policies which can boost growth in the short term but which produce, in the long term, inflation, loss of competitiveness, unemployment and poverty.

Much more ability is needed in order for people to succeed: new skills, creativity, the ability to use digital technologies, greater flexibility and a willingness to adjust. We must make sure that our policies support our citizens when support is needed and that we provide a trampoline-like safety net to help people bounce back from unemployment and re-enter the labour market. The Social Market Economy provides an excellent backbone for formulating policies which lead to the kinds of growth benefiting all groups in society, not only a few. We are the *people's* party, after all, and we strive to build a society and an economy that works for all.

No political party can guarantee jobs and success for every citizen. Fairness is an important value for us, and therefore we will not promise something we cannot deliver. But we can deliver policies which create a framework allowing every citizen to succeed by developing and maximising his or her talents and skills at work. For us, the key aspects are education, human capital and equality of opportunity in an entrepreneurial society.

The EU has about 7% of the world's population and yet accounts for about 50% of all global welfare payments. The European Union has the best welfare system worldwide, and we can be proud of this. Demographic change creates challenges for financing our welfare model. Therefore, we strive for the maximum participation of all working-age citizens, as well as for future-oriented reforms of the public sector. We want to create conditions in which everyone finds the opportunity to prosper!

## **1. Supporting recovery — putting money in people's pockets**

Many people and families were deeply hurt by the economic and financial crisis, but no group was as badly hurt as our youth. Although unemployment numbers in general are declining, the EU28's youth unemployment rate is still too high. We want to bring more prosperity and wellbeing to our citizens — and quickly — in order to allow everyone to feel the reality of economic growth. We must continue our successful policies in supporting recovery and creating jobs, and we must ensure this can be felt in each household. This must invariably mean that we continue with structural reforms to increase the efficiency of the public sector and the functioning of labour markets, bringing quality services and jobs to our citizens. The EPP:

- Acknowledges that the EU has surpassed 2008 GDP levels and is steadily recovering;
- Calls on EU Member States to continue reforming labour markets in order to increase their flexibility, decrease the risk of unemployment and ultimately ensure that everyone has access to a job;
- Calls on EU Member States to ensure that labour market policies treat employees equally, whether young or old, male or female;
- Calls on Member States to stimulate youth employment, in particular through the effective and timely implementation of EU initiatives such as the Youth Guarantee scheme;
- Calls on EU Member States to continue introducing structural reforms to increase public-sector efficiency and quality of services, if necessary through the privatisation of elements of the public sector;
- Calls on EU Member States and the European Commission to finally finish all outstanding Single Market projects, including the Digital Single Market, Energy Union and Capital Markets Union; this has the potential to increase our GDP by as much as a trillion euros;
- Calls on EU Member States, together with social partners, to implement a strategy for the employment and inclusion of people with lower levels of education, workers with disabilities, workers with migrant backgrounds and other targeted groups, depending on country-specific characteristics.

## **2. Boosting investments — for a richer future**

Investing is the key to economic prosperity, innovation and sustainable growth. We promised in the 2014 European elections that we would boost investments if we won. We have delivered on that. The Juncker Plan has thus far increased investments by more than 160 billion euros and enabled more than 385,000 small and medium-sized enterprises (SMEs) to access financing during the Plan's first year-and-a-half of operations. This will ultimately lead to millions of new jobs. But we are not done yet: our future depends on investments in innovation, research and development as well as on harnessing the skills and creativity of our people and on increasing productivity. We want Europe to be the best place, the hub, for starting, running and developing businesses and enterprises. The EPP:

- Recognises that investments are about 2% of GDP below the long-term historical average;

- Encourages Member States to set smart government budgets, with greater space for those government investments which create more economic growth, such as in infrastructure and innovation;
- Welcomes the proposal by the European Commission to double the European Fund for Strategic Investment by 2022;
- Calls on Member States to reduce red tape on equity investments in order to encourage investments in growing companies;
- Calls on Member States to push through the European Commission's proposal on a Capital Markets Union in order to provide companies of all sizes better access to financing, especially in countries with less developed financial and venture capital markets;
- Calls on Member States to push through proposals on the European Fund of Funds in order to facilitate the pooling of resources and enable bigger investments in Europe's growing companies;
- Calls on European institutions and Member States to swiftly implement the Start-up and Scale-up Initiative, in order to help start-ups stay, and grow, in Europe, and to provide the conditions needed for them to become the next global leaders;
- Calls on the Union to further reduce regulation and to avoid regulation on the development of new technologies.

### **3. Investing in robot-proof skills — for secure employment**

The world is changing ever more quickly. Our education systems must keep pace. More needs to be invested in skills training for those already in the labour market, as well as for children and youth currently completing their education. Fundamental public investment in human capital — the health and education sectors, among others — can deliver important long-term returns. Only by putting into practice the principle of lifelong learning can we find solutions to the various challenges we are facing: retraining and upskilling employees in those professions most in danger of being replaced or significantly changed by technology and providing relevant skills — such as digital skills, intellectual agility, social skills, creativity and collaborative attitudes — in order to help our youth succeed in the future. Skills will become ever more important as citizens are expected to change jobs, professions and professional fields more frequently than in the past, as well as because some jobs, especially those requiring low skills and easily automated, disappear due to technological change. Providing access to high-quality education for every citizen — at all stages of his or her life and career — will be the key to achieving true equality of opportunity. In many new activities, the difference between employment and self-employment has become more vague. As a party that supports meritocracy, we must make sure that all work continues to be rewarded fairly. The EPP:

- Acknowledges that according to research, quality pre-school education plays an important role in promoting equality and preparing children for formal education;
- Acknowledges that education is a process which starts at an early age and which must continue throughout one's life in order to ensure preparedness for whatever challenges one may face;

- Calls on Member States to invest in education and training systems at all levels, from preschool to tertiary level, vocational education and training and beyond in order to make Europe's educational systems the most competitive and innovative in the world; further efforts are needed, in particular, to reduce the rate of drop out;
- Calls on Member States to ensure that free or affordable, high-quality education and training be made available to all citizens.
- Calls on Member States to invest in high-quality adult education to guarantee citizens' access to upskilling and retraining programmes;
- Calls on Member States to work together with social partners, especially with employers, to guarantee that education and training programmes equip citizens with relevant skills and encourage improved on-the-job-training, including through the expansion of work-based learning such as apprenticeships;
- Calls on Member States to improve intelligence on skills needs and trends and to support the development of skills strategies at national, regional and sectoral levels in order to support forward-looking approaches which can help to shape innovation.

#### **4. Encouraging high-quality social policies — providing a trampoline**

Defending the Social Market Economy means that we support people when they face hardship. Solidarity is one of our key values; but this must be accompanied by fairness and responsibility. We are committed to helping those in need, while also striving for the maximum participation of all working-age citizens. Therefore, what we want is to prioritise active policies which help people re-enter the labour market as quickly as possible. We will need everyone's contribution — and all the more so as the working-age population continues to decline in relative terms. People must be treated with respect when they face hardship, and helped to move forward. Labour market patterns are changing; this is why we should redesign our social policies in order to efficiently handle our citizens' needs in a rapidly changing world. The EPP:

- Acknowledges that income inequality in the EU declined between 1994 and 2008, after which it flatlined;
- Acknowledges that absolute poverty in the EU is decreasing and has become extremely rare, even as the risk of poverty and social exclusion is still a reality for some, including for 10% of workers in Europe;
- Reaffirms that social policy is a shared competence and that in all decisions, the principles of subsidiarity and proportionality should be respected: more needs to be done to make the social dimension stronger in the EU;
- Affirms that social policy needs to be decided and implemented together with social actors, in particular social partners;
- Calls on Member States to reform their social systems in anticipation of changing labour market patterns;
- Calls on Member States to invest in active labour market policies in order to promote the creation of employment and to pre-empt, as far as possible, problems in the labour market;
- Calls on Member States to pay special attention to ensuring that social policies always encourage and support people's seeking and accepting employment;

- Demands that incentives must be built in such a way as to guarantee that a person clearly benefits from entering employment rather than remaining in social support systems;
- Calls upon Member States to introduce electronic services in order to maximise the efficiency of public services in both tackling red tape and, at the same time, in benefiting citizens through better access to social services.

## **5. A fair society – everyone doing their share**

It is important for our societies that citizens consider policies and legislation fair. We must make sure that everyone contributes his or her fair share to providing the services we all benefit from. All companies, regardless of their size, must in general be treated in the same fashion: there can be no loopholes giving certain companies financial or other benefits not available to all. The same applies to citizens; everyone, rich or poor, must help do his or her part. We must crack down on tax evasion out of respect for fairness, and to avoid burdening only a few in providing for the many. Taxation is a national competence, but the EU must also contribute to the fight against tax evasion. The EPP:

- Calls on Member States to ensure that their national tax systems treat all companies equally, so that no companies can escape doing their fair share;
- Calls on both Member States and the European Commission for more effective international cooperation in fighting tax evasion;
- Calls on Member States and the European Commission to ensure that taxes are paid where profits are made and that national tax systems avoid double taxation.