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A VISION FOR EUROPE



EPP-ED



FIDESZ - HUNGARIAN CIVIC UNION

Contents

- 1. Europe as we see it 5
- 2. Europe and the world 16
- 3. Looking ahead – the European Union in 2025..... 32

Foreword

In the past half decade the world has changed much, and with it Europe and Hungary. The spectacular changes that have exploded into our lives in the form of the global financial and economic crisis during the past year have in fact been simmering for several years: a global economic, social and political realignment is under way. What we feel now are no longer simply tremors, but the shocks of a full-scale earthquake – one which will leave the world a different place.

Europe has lost ground: it has not made significant progress towards the targets set by the Lisbon Strategy, and it has not resolved the question of its institutions' renewal. Nevertheless it has successfully implemented its reunification, and by doing so it has opened up new possibilities for not only its new Member States, but for the future of the continent.

Europe is neither a superstate nor an empire, but a community of values and of destiny, growing out of a long process accompanied by successive crises and triumphs. The history of the past half decade has also been one of stark contrasts. European integration has not managed to strike a chord with Europe's people and there has been no significant progress towards creation of a European *demos*, but cohesion has increased and the differences in development between richer and poorer Member States have lessened somewhat. New initiatives – such as a common energy policy – could not be launched, but old ones – such as the common agricultural and cohesion policies – have been preserved on account of their effectiveness; this has been in spite of the fact that it is in exactly these areas that the principle of equal treatment only partially prevails. No genuine progress has been made towards the establishment of a common foreign and security policy. On the other hand, late 2008 bore fruit in the field of international affairs – in Georgia, and with the creation of the G20. These signal hope for the prospect of a common European stance in the international arena.

Hungary's government, however, has failed over the past five years – in the face of both global and European challenges. It has not delivered on its most basic commitments: stewardship of the country's economy, public administration and legal system; and it has failed to reinforce the notion of the public good in the areas of peoples' lives which are most important to them, such as education, healthcare and culture. But this government has also failed to deliver on its commitment to represent abroad the interests of Hungary and the Hungarian nation, to take advantage of a favourable external environment, and to grasp the historic opportunity inherent in joining the European integration process and thereby contributing to increased prosperity for individuals and communities alike.

The huge opportunities grasped by those countries acceding together with Hungary in 2004 – opportunities which the Hungarian government failed to capitalise on – will never return. The serious mistakes, failures and violations of the law and of individuals' rights have already taken place. They have halted and reversed the historic convergence process which started in Hungary with the democratic transition and which was boosted by the favourable external environment which came with accession to the European Union. It is now generally accepted that the failed economic policies of recent years – the dismantling of public administration and total rejection of professional expertise – have set back by at least a decade the realisation of our great common objective: convergence with the developed countries of Europe.

None of this means, however, that the story is over. We have lost much in the past five years, but there are another five years ahead of us, and decades more to look forward to. We cannot afford to waste the historic opportunity that Hungary and the Hungarian nation has been presented with. That opportunity is to be part of the European integration process: the most exciting, most original and – we may safely say – the most successful political process of the past half century.

1

EUROPE AS WE SEE IT

Understandable disappointment in Hungary

Fidesz believes that a significant proportion of the Hungarian population is disappointed with the achievements and consequences of accession to the European Union five years ago. Citizens expected more from membership, both in terms of economic benefits and the stabilising role that the EU might have played in upholding the rule of law and a functioning democracy, as well as in protecting the rights of national minorities. Although prior to accession some Hungarians feared encroachments on Hungarian national sovereignty by apparently over-powerful EU institutions, today the view of many is quite the opposite: the EU has failed to deliver in the very areas where intervention would have *served* the country's interests, and not harmed them. A more determined stance by Brussels could have prevented the falsification of budget figures by the MSZP-SZDSZ government and the irresponsible spending spree which followed, and more could have been done to counter government actions which seriously compromised the rule of law and the functioning of democratic institutions (curtailing the powers of independent agencies, using the police and the intelligence services for political purposes, and grave mass violations of individual human rights). The disappointment was even greater when it became clear that Hungary had not only lost pole position in

the process of economic convergence and European integration, but was in fact lagging behind the other countries of comparable stature in the region. In addition to Slovenia, Slovakia – which surged ahead after a delay following the fall of communism – has already introduced the euro, whereas we have drifted away to an indefinite distance from that goal. On top of all this we have had to be rescued from economic meltdown by an international bailout package.

This government's use of Brussels as a scapegoat

Despite these disappointments, Fidesz is determined to **differentiate between the functioning of European institutions and the performance of the Hungarian government over the past few years**. This government does all it can to blame others – including the European Union – for the consequences of its amateurism, historically unprecedented corruption and abuse of power. One of the grave consequences of its attempts to escape blame is that the Hungarian public, sensing a dramatic decline in both individual and national fortunes, sees the European Union and our membership as being largely responsible for our predicament. As a result, the standing of the European Union in the eyes of the Hungarian public has declined dramatically. We have therefore also experienced a phenomenon seen elsewhere in Europe: the misdeeds of the national government have ended up damaging the EU in the eyes of the public. Fidesz has consistently rejected this attitude, and will continue to identify those who are really responsible for our accelerating decline and our political, moral and economic crisis. While none of this alters our conviction that we should expect more from European integration, we are equally aware that without proactive Hungarian participation, and without reliable and professional policies – i.e., without a fundamental political renewal – we will be unable to reap the benefits of integration.

Dispelling illusions

The MSZP-SZDSZ government has regularly stated that it favours a political EU, and that Hungary would therefore also take part in the closer co-operation that may emerge in the future. **We see the reality of a Hungary now desperately trying above all to stay afloat**. Because of our poor performance as a Member

State and the receding mirage that is Hungarian adoption of the common currency, Hungary's chances of staying in the mainstream of European integration are diminishing. It has now become apparent that more and more Member States seek to return to the idea of a 'Core Europe', and would like to see close relations only applying to a select few states. The idea of giving this 'Eurogroup' a legal personality has even surfaced recently. If this process continues, it threatens to push Hungary to the periphery of Europe again, this time within the EU: this must be prevented at all costs. The road to be taken leads through Hungary's **confirmation of equal membership status and rapid convergence as soon as possible**. We must do everything we can to ensure that remaining barriers (reduced access to agricultural subsidies, limitations on the free movement of labour and services) are brought down as swiftly as possible, and that all discrimination between old and new Member States disappears. We must finally become a law-abiding, credible Member State, and our goals must be tailored to the principles and goals shared by all in the EU. **We must make every effort to be able to introduce the common currency as soon as possible**. It is only after this that we will have a chance to participate in schemes which may be launched in the interest of reinforced co-operation, or permanent structured co-operation in the field of security and defence policy.

EU membership as both a shelter and an opportunity

Membership is a shelter from the outside world, providing protection against the harmful consequences of globalisation; it can be regarded as a sort of crisis management mechanism in times of international conflict and crisis (including economic and financial crises, foreign and security threats, and global threats ranging from climate change and demographics to energy security). Member States can only tackle these problems with a common stance, as individually they would be exposed. The financial crisis has made clear the advantages of belonging to the eurozone, also. Whereas its members are eligible for certain protective instruments and measures, these same benefits do not extend to non-members. This has created a serious competitive disadvantage for our commercial banks. But even as a non-member of the eurozone, Hungary has been in a better position than non-EU countries. Servicing debt is significantly easier, since we are paying lower interest rates for an EU loan than having to seek credit in the international financial markets, with their much higher interest rates. EU membership can also provide shelter internally, as unfortunately Hungarian democracy

in its present condition is in desperate need of outside supervision to ensure the enforcement of democratic norms. Membership is also an opportunity, because membership is not a solution in itself. We can only profit from it through shrewd government policy, non-partisan professional policies representing our national interests rather than party-political ones, and application of adequate vision and strategic thinking. We must reach the point where Hungary's citizens can finally feel that they are personally benefiting from EU membership.

Brussels is not Moscow

For recognition that membership is simply an opportunity and not the ultimate prize it is also necessary for the Hungarian government to finally understand that it cannot always blame Brussels: **we too are the EU**. The decisions of EU institutions are not taken above our heads, but we participate in them ourselves. **It is therefore our task to influence community decisions in our own national interests.** In the meantime, we must not just concentrate on the immediate future: we have a responsibility to establish a liveable world in the long term. For all these reasons, Fidesz advocates a responsible, co-ordinated, professional Hungarian presence in EU institutions, based on the widest possible national consensus.

A strong European Union

Fidesz is convinced that all this can be achieved if we establish **a strong, principled EU which is confident in its values and identity and is not looking for ways and pretexts to evade responsibility.** We would like to see an EU that deepens co-operation among Member States, an EU that is more cohesive, expresses solidarity, and moves towards political integration; an EU that is efficient and concentrates on genuine problems. Why are we interested in a strong European Union? Because this can make us stronger, promote our citizens' prosperity and security, and enable us to keep our own identity. Fidesz is convinced that the way to a strong Europe leads via the establishment of a strong Hungary, as our 2007 programme declared.

The following steps are needed for the establishment of a strong Europe:

1. LOOKING BEYOND THEORETICAL DISPUTES

Fidesz has already stated unequivocally, in its 2004 Europe Programme, that the decades-old disputes of a mostly theoretical nature must be put behind us. We must avoid above all the well-worn polarised notions of a 'supranational Europe' versus a 'Europe of nation states', and **we must strengthen Europe in a way that finds solutions to the genuine problems and dilemmas of people and their communities – in the framework of European integration, but also built on the principles of regionalism, local autonomy and community rights.**

The establishment of a strong Europe depends on two basic questions:

- Is the European Union able to face challenges affecting the entire world, and thus contribute to preventing or minimising the threats endangering the human species?
- Is the European Union able to offer European-level solutions to the problems and issues directly affecting Europeans' lives?

2. CONCENTRATING ON THE PROBLEMS AFFECTING EVERYONE

Fidesz is convinced that to create a strong Europe the EU needs to settle institutional questions and move on as soon as possible. This could enable European integration to concentrate on genuine and serious global and European problems, which nevertheless affect all Member States and nations. At the moment there is no unified concept for halting European population decline; common European foreign, security and defence policy is inadequate in practice; there is no common European energy policy (a particular headache for Hungary); views diverge on the modernisation of the Common Agricultural Policy, and the Lisbon Strategy on enhancing competitiveness has stalled. Also, despite the promising attempts of the past few years, issues that affect the everyday lives of people continue to be pushed to the background, even though their solution would certainly be part of the establishment of genuine European unity, a European identity and the concept of a European *demos*.

The onset of the global financial crisis also made it clear that, despite developments and efforts over the past few years, there is still no European answer to the credit crisis and the faltering (and even potential collapse) of the financial serv-

ices sector – with the resultant unpredictable consequences. It is now clear for all to see that we need new powers, measures and institutions in this area, and the establishment of European-wide regulation. Central European countries, Hungary among them, are fundamentally interested in avoiding unmanageable crises stemming from the financial sector that could hinder the faster growth we need for speedy convergence. We have also seen that the EU cannot by itself save Hungary from financial collapse (even if it wanted to), and that IMF and World Bank aid was also needed to avert disaster.

If the European Union cannot concentrate quickly and without any further delay on genuine problems, then its role in the world – as well as its influence and its capability to represent its own interests – will diminish, and not grow. This runs counter to the basic Hungarian and Central European interests that are the centrepiece of Fidesz European policy.

3. REGAINING CITIZENS' SUPPORT FOR CONSTRUCTING THE EUROPEAN UNION

The idea of European unity has long been a matter for the European elites, and has not turned into a popular movement. The developments of the last few years – especially with regard to the series of referendum failures – have proven that the reserves of elite politics are depleted. Citizens are giving more and more indications that they wish to be a part of decision-making, that they want to understand how the decisions are made on certain issues and that they reject politics for the sake of politics. This is why Europe has to consolidate the results achieved, and stabilise its decision-making institutions to enable the EU to really concentrate on the everyday issues affecting citizens. European governments must therefore take all steps possible to make their operations fully transparent and accountable, so that their decisions can be understood by all. Our members in the European Parliament have followed this principle so far, and will continue to do so in the future.

4. PROTECTING THE EUROPEAN SOCIAL MODEL AND THE RESULTS IT HAS SO FAR ACHIEVED

The 21st century has begun with challenges so daunting that they already threaten the survival of the European social model. The international economic stage has grown to include new and strong competitors, new security, demographic and civilisational challenges have appeared, and global problems also present grave threats. It is clear that we can only have a chance of facing all this through

a common European stance. But we must also raise awareness of the fact that **a globalising world economy does not necessarily imply a uniformity of social models**. We must make citizens aware of the fact that the European social model is viable. Let us remind the citizens of Europe that, over the more than fifty years of its existence, the European Union has become one of the world's most successful models of international co-existence. It has kept the continent free of war and created economic prosperity. It offers solidarity with Member States that are developing more slowly, and at the same time has become the largest aid donor in the world. The EU provides safe and adequate quantities of food for its population while formulating clear policy on genetically modified and plant hormone regulated products. It stands by fair trade and the protection of the environment, even if these factors make production more expensive. All this has now become the trademark of the European social and economic development model.

5. STANDING UP FOR OUR VALUES

The protection of the European social model cannot be imagined without understanding the pillars of this integration. Fidesz is convinced that **the EU is not only a community of interests, but also a community of values**. The EU is based on respect for human dignity, freedom, democracy, equal opportunities, the rule of law and the recognition of human and minority rights. Its Member States share the principles of pluralism, reject discrimination, and promote tolerance, fairness, solidarity, cultural diversity and gender equality. Our common spiritual and moral heritage and our traditions are the wellsprings of European identity. In order to be aware of our values and enable us to represent them confidently, we must return to our roots. The unity of European nations rests on Christianity and humanism. This is not a matter of religious belief, but a historical fact. Christianity has taught us to respect human dignity, whereas humanism has taught Europe that the thirst for knowledge is the driving force of civilisation. Our common values and respect for our traditions provide Europe's strength, and therefore their preservation is the common duty of European nations. From these wellsprings stem our notions of family, community, respect for others, and even competition: this is what created the European social model. For global challenges, the EU can respond in co-ordination with our Atlantic allies, as we share the same values. This does not mean a complete harmonisation of social development methods, however. What is needed is not an Americanisation of Europe, but value-based and sincere co-operation.

6. SECURING THE SUCCESS OF OUR COMMON VALUES AND PRINCIPLES

It is currently a weakness of the European Union that it is unable to assert its values and principles. A country, as long as it aspires to be a Member State, must meet a rigorous set of conditions in the fields of rule of law, democracy, human and minority rights. Once a Member State, however, there is no longer such strict supervision of national governments – as the citizens of Hungary bitterly experienced in the autumn of 2006. The most important reason for this is that EU institutions are wary of intervening in what are seen as domestic affairs. Fidesz is convinced, however, **that the upholding of our common values and principles cannot be made a matter for debate**. The European Union must be empowered with instruments that can compel its Member States to follow and implement these principles at all times – without this there is no such thing as a strong Europe. The EU must be equipped with a system for the protection of human and minority rights. It is a contradiction to expect the EU to require Member States to follow accepted norms, and at the same time to cite national sovereignty and express reluctance to give away powers.

In the future the European Union must enforce its own rules on lack of party-political bias in a much stricter way. The proof that this is not always enforced is for instance the financial crisis. If the EU had acted in time, and if certain EU officials had not allowed the Hungarian government to falsify economic and budget figures for party-political reasons, and if they had not granted a period of grace in which to restore economic order, then Hungary would not have drifted to the edge of collapse by the autumn of 2008. Therefore Fidesz would like to see a Europe in which no such business can be arranged through ‘telephone calls between comrades’: i.e. via non-transparent, interwoven party-political connections. We are convinced that the functioning of the EU would also become smoother and more consistent, and its credibility and trustworthiness in the eyes of citizens would also definitely increase.

7. MORE EFFICIENCY AND DEMOCRACY IN DECISION-MAKING, CLEAR POWER SHARING

In the last decade and a half the European Union has focused much attention – critics would say too much – on modernising its institutional setup, and adapting it to new challenges. One reason for this was the fact that EU institutions have been targeted – usually rightly so – for a lack of transparency and embodying the democratic deficit and reduced efficiency. As a result of all this, it has alienated

itself from its citizens. Secondly, the conditions in which the original EU came into existence have indeed changed, with the number of Member States almost doubling. The Constitutional Treaty and the Lisbon Treaty (not without their errors and deficiencies), have tried to solve or at least alleviate these oft-mentioned shortcomings. **A more comprehensible, more transparent institutional set-up, more democratic decision-making** (above all, the expansion of the powers of the European Parliament as well as an increased say for national parliaments), and more efficient international action have been the goals of these Treaties. They are now subjected to the very same criticisms which they originally sought to answer. For instance, the incomprehensibility of the Lisbon Treaty is often mentioned, but few attempts have been made to compare the current situation with the setup highlighted by the Lisbon Treaty – for example in the sharing of powers between the EU and Member States, particularly in the field of transparency and comprehensibility. Fidesz is therefore convinced that the EU needs the Reform Treaty – or at least its essence – and that the problems stemming from the 2008 Irish referendum result have to be solved.

The prosperity and security of Europe’s citizens are no longer guaranteed by the framework provided by nation states. This is why strengthening EU institutions is necessary, but only in those areas where community action is more efficient than national or local action. This is precisely the reason why the Lisbon Treaty should be enacted, as it will separate more than ever the issues where community action is necessary from those where action is shared between the EU and Member States, and finally those where nation states have exclusive prerogatives.

8. MAKING EUROPE MORE ECONOMICALLY STABLE, MORE UNIFIED AND DYNAMIC

To regain citizens’ trust in the EU we must take some serious and substantive steps. First of all, we must preserve our trust in the common currency. The most important issue from the perspective of a common European economy is the common currency. **The trust vested in the euro is Europe’s most important economic weapon.** This is why it is not only in the interest of the new members, but also of the entire EU that all Member States implement the Maastricht criteria and join the eurozone. Secondly, it is in our common interest to **accelerate the fulfilment of the common market**, both in the free movement of labour and services, and in accelerating implementation of the principle of equal treatment in all areas. In other words, we must shorten the transitional periods for new

Member States before they become fully-fledged members in every respect. The European economy, taking the Lisbon Strategy seriously, has to move towards **creating jobs**, enabling employment across the continent to increase. Thirdly, the EU must be capable of competing with other world regions in terms of employment, labour efficiency, productivity, and the application of research and development results. Let us continue patriotic economic policies in line with European regulations, let us lay the foundations for **small and medium-sized enterprises**. We have not experienced a financial crisis on the scale of that starting in 2008 for decades, and this necessitates full supervision of international and European regulations for financial markets. Fourthly, **we must preserve the Common Agricultural Policy**. Europe must not surrender the obligation to produce sufficient and safe food for its citizens. The EU must also seek food quality regulations in world trade that are comparable to European ones. Regional development policy must aim at enabling people to make a livelihood in the countryside without economic disadvantage. Fifthly, by strengthening solidarity among its members, Europe must increase its internal cohesion, so that its citizens can access the added value of membership with more equal opportunities. **Structural, regional and cohesion policies must therefore be preserved**, as the efforts made in these fields make the EU stronger as a whole.

9. A UNITED STANCE ON THE MOST IMPORTANT ISSUES: ENERGY AND CLIMATE POLICY, FOOD SAFETY, RESEARCH AND DEVELOPMENT, DEMOGRAPHICS, IMMIGRATION

We must face the most dangerous risks threatening our future. These are the issues that most concern people. We cannot afford to postpone solutions and **common European policies** for them. Moreover, Europe must also show an example to the world, just as it did at the start of the Kyoto process, or the establishment of the International Criminal Tribunal. As for those Member States which are reluctant to contribute resources to a common budget, we must call their attention to the fact **that it is impossible to operate the new common policies without adequate financial resources**. Lacking this, all our efforts will be in vain.

10. OPERATIONAL COMMON FOREIGN, SECURITY AND DEFENCE POLICY, PRINCIPLE-BASED ENLARGEMENT

We have long known that unless progress is made in this area, Europe will remain weak on the international stage. Even the continent's larger Member States count as small on a global scale, and cannot expect to achieve these goals alone.

Medium-sized states like the ten-million strong Hungary can only effectively represent their ideas via the 500-million strong European Union. Due to our geographical location, we can also expect our security to be guaranteed only by membership of the Euro-Atlantic family of nations. It is our conviction that the most important aspect of further EU enlargement must be the fact that the EU is at the same time a community of values as well as interests.

11. NO TABOOS

Finally, Fidesz believes that there should be no taboo issues on the EU agenda, whether they be about unearthing the crimes of the past, those of the 20th century, the situation of European minorities, or where Europe's borders should be drawn. **Let us allow room for sensible dialogue and debate**. Let us draw the citizens of the EU into this debate, and let us listen to them. Let us present Hungary's own views, and let us share our experiences with the European public. Let us give them time to understand us – we should not expect immediate results.

Fidesz MEPs in the EPP-ED Group of the European Parliament have been working for the development of such a European Union, and wish to continue working according to these principles and goals, to the best of their ability.

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EUROPE AND THE WORLD

Common foreign and security policy, neighbourhood policy, defence**The need to strengthen the international influence of the European Union**

Fidesz believes that the security and prosperity of European citizens presumes an increased influence for the European Union in world politics. In order to reach this end, **the EU needs an efficient common foreign and security policy, as well as a common security and defence policy**. Europe cannot afford to lag behind in the competition for markets and technological advance. The EU must possess a **clear action strategy** that encompasses several aspects of security in a complex manner. It has to create a unified representative body to deal with the outside world, build its military and civilian capabilities and provide appropriate resources. It is only through these changes that Europe can strengthen its role and influence in a changing world. It is only this way that the EU can avoid becoming exposed to difficulties in accessing energy and raw materials. This is the only way to accomplish the original goal of European integration: to provide freedom, security and prosperity for its citizens.

The need for significant reforms

Common foreign and security policy has undergone significant development in the past five years. The EU has now established institutional dialogue with practically all regions of the world, and it plays an ever larger role in conflict management – especially in the Balkans, Afghanistan and Africa. The institutions of a common foreign and security policy have developed, as well as the required financial resources. Nevertheless, the EU has not been able to present a united front in several important issues over the past few years. Its economic powers are still not coupled with the political force and military capabilities which would be necessary to prepare for and neutralise challenges that may threaten its citizens directly or indirectly. Neither is the EU able to play a role commensurate with its economic influence. This is also why policy in this area must be strengthened, its institutions and instruments reformed and developed, and the mistakes of recent years corrected.

Altered geopolitical environment

European security policy is facing new geopolitical challenges. The loyalties of states on the periphery of the former Soviet Union will probably be a central issue in the coming years. In contrast to previous years, the issue is not the handling of individual isolated local conflicts, but a strategic clash of interests translated into a series of related conflicts on Europe's eastern periphery. This chain of conflicts is not only aimed at the exertion of direct geopolitical influence, but it is also an indicator as to whether the countries of the former Soviet periphery can adhere to European values, and under whose control their raw materials and energy resources will find their way onto world markets.

The interrelationship of economic stability and security

The international financial and economic crisis has brought the interrelationship of international financial stability and security policy into the limelight: this has hitherto been more of a theoretical issue. The security of European countries in a wider sense depends on the state of the financial sector and

its effects on the real economy. The central question related to developments in the coming months – leaving aside other security policy problems – will therefore be the extent to which financial risks are transformed into economic risks, and the extent to which the world's various centres of power have lost or gained ground by the end of the crisis. In these altered circumstances, the European Union will be in especial need of strengthening its internal consensus-building capability and developing its complex system of foreign policy instruments, in order to be able to face supranational challenges.

Hungary as a shaper of common foreign and security policy

Common foreign and security policy presents Hungary with an opportunity to implement our foreign and security policy priorities together with those of the European Union. Hungary must actively shape the foreign policy of the EU and its united stance in the outside world. In contrast to the drifting nature of Hungarian foreign policy in the last five years, which has suffered from uncertainty and usually just followed the majority point of view, **we must seek to be an active shaper of this policy – following clear priorities and principles, but in solidarity with the other Member States.** In this regard, our good relations with larger Member States and EU institutions and our ability to form alliances play particularly significant roles. Hungary must work in close co-operation with partners in the EU and with like-minded countries in order to achieve its goals. In this regard, membership in key UN institutions in the coming period represents both an outstanding opportunity and a huge responsibility for us.

We consider transparency in the co-ordination and decision-making process to be a *sine qua non* of the success and effectiveness of common foreign and security policy, as foreign and defence policy is a key area of national sovereignty for all Member States.

Priorities

Common foreign and security policy must concentrate on the following priorities in the coming years: better co-ordination between the EU and the United States as regards their respective global roles; strengthening the EU presence in the imme-

diately neighbourhood (in the Western Balkans and the post-Soviet area); promotion of sustainable development; promoting Europe's energy security; advancement of human and minority rights, including the rights of national minorities; sustaining a stable global commercial and financial system; combating mass illegal immigration, terrorism and proliferation of weapons of mass destruction.

Representing basic values in foreign policy

We are convinced that in pursuit of these priorities the EU must preserve its leading role in international relations and foreign policy, representing the values central to its existence: freedom, democracy, the rule of law, and promotion and safeguarding of human and minority rights. We also seek to pursue our own foreign policy on these foundations.

Our geographic priorities

Renewing the transatlantic partnership

The alliance between the democracies of North America and Europe – based on sharing basic values – is central to guaranteeing Europe's security and development. Therefore **wide-ranging co-operation with the North American allies must enjoy primacy in EU international relations and security policy.** In military terms, the supreme security guarantee for Hungary's citizens is provided by the North Atlantic Treaty Alliance (NATO), with the United States as its leading force. It is hence of crucial importance to the interests of Hungarian and European citizens that the North Atlantic Alliance survives, and that the United States maintains a significant presence in Europe.

The financial crisis has also demonstrated that in our changing world the United States and Europe are interdependent to an ever larger extent in ever more areas, including security policy. As a result, the need for an increased global role

for the EU does not mean loosening ties with the United States, but strengthening the European arm of this alliance for the sake of common transatlantic security and balanced co-operation. On this basis there is a need for reinforcement of the transatlantic partnership, an enhancement of the EU's role in security, and co-ordinated development of modern capabilities; finding the necessary resources for all this will be key.

Outstanding areas of transatlantic co-operation

Central and Eastern European countries may acquire an important role in reinforcing transatlantic relations. Fidesz wants Hungary to become an active player in the EU's transatlantic relations in the regions that are of special importance to us (the Balkans, Eastern Europe, the Caucasus and Russia), in a more strategic handling of our human rights, energy security and economic interests, as well as through active regional co-operation recognising overlapping strategic interests.

In the coming years we consider missions in Afghanistan and Iraq, the stand against destabilisation in Pakistan and nuclear proliferation in Iran as the key areas of transatlantic co-operation. It is of utmost importance in terms of our security to create stability in **Afghanistan**, and to fight terrorism and drug trafficking within the framework of the international efforts to this end. Without continuing support and military presence, the country would drift into another civil war. We thus consider the role that the international community is playing in Afghanistan to be indispensable, the success of which will be decisive as regards the future of NATO's and the EU's foreign and security policy.

Within the framework of transatlantic co-operation, concentrating attention on **Pakistan** is paramount: this area has become an ever more significant cause of instability in the Central Asian region. Through the radicalisation and violence that has come to characterise the country, its security situation and its relations with the Western allies have shifted. NATO and EU Member States must give an unequivocal, determined and united response to this development. They must further a common strategy in order to prevent Pakistan's potential disintegration – all the more essential as we are talking about the world's sixth most populous country, and a nuclear power. A stable and long-term solution, however, may only be envisaged through co-operation with the prevailing powers in Islamabad, be they civilian or military.

A further important area of transatlantic co-operation is **Iran**. It would gravely endanger the region's and Europe's stability if Iran reached a level of technological development whereby the military use of its nuclear programme is only a political decision. Therefore we continue to consider the EU's policy of 'double approach' to be reasonable and worthy of support: this involves implementing sanctions against the regime in Tehran, but keeping options open for a relationship in areas where there is mutual interest and where it does not breach UN Security Council resolutions. We believe that transatlantic partners must proceed towards a solution by negotiation and diplomacy.

Iraq is an important factor in the stability of the Persian Gulf region. The success of the Iraqi transition is not only in the best interests of the Iraqi people, but may also affect the situation of the entire region in the long term. As a Member State, Hungary is interested in peace and stability to the south-east of the EU, and therefore we continue to support an international role there which is in accordance with the will of the Iraqi people. We hope that the disengagement schedule announced by the Obama administration will contribute to the realisation of these goals.

Security in our immediate neighbourhood

The primary security priority of the European Union continues to be establishing and advancing peace, stability and democracy in its immediate neighbourhood, the Western Balkans and Eastern Europe. The key to this is good governance and strengthening the rule of law in these countries, improving the human rights situation, settling ethnic conflicts by expanding minorities' individual and collective rights, and building market economies.

The Euro-Atlantic integration of the Western Balkans

In the past five years, the European Union has made significant headway with its complex strategy involving enlargement policy, the Stabilisation and Partnership process, the Thessaloniki Agenda, and the instruments of the common foreign and security policy, and has made significant headway in stabilising and promoting convergence between the Western Balkans and the rest of Europe. These

efforts have brought long-term peace and stability in the Western Balkans within reach, which will enable all countries to start on the road towards integration, casting their anchors in the Euro-Atlantic community.

The stability and reconstruction of the Western Balkan countries and their integration into the Euro-Atlantic community with as little delay as possible directly influences the security of Hungary and the region. Therefore support for this process is a strategic interest and priority for Hungary. We advocate that Hungary consistently support the accession of these countries into the Euro-Atlantic area, and that it increase its political, economic and crisis management role in the region. In the coming years, a key EU goal must be the guaranteeing and expanding of the individual and collective rights of ethnic communities, full visa liberalisation for the countries of the region, and an increase in the region's energy security (and therefore our energy security) by way of the establishment of a regional energy infrastructure which would function along EU rules as an organic part of the European market. Further goals must be the promotion of economic integration, as well as the development of Southeast European regional co-operation.

Distinguishing between the eastern and southern dimensions of EU neighbourhood policy

An important result of the past five years has been evolution of the European Union Neighbourhood Policy, with the southern interface (Mediterranean countries) and the eastern interface (former USSR successor states in Eastern Europe and the Southern Caucasus) of the enlarged EU. The aim of the Neighbourhood Policy is tightening up relations with the immediate neighbourhood, in order that the states bordering the European Union can also benefit from the stability, security and prosperity provided by the Union. Thus stable, democratic countries with strong market economies can emerge in the immediate neighbourhood of the EU: countries which do not threaten the European Union. To this end, Brussels has offered a higher level of dialogue and security, economic, judicial and cultural co-operation with these countries, keeping intact the basic institutional framework. The offer also included gradual dismantling of trade barriers, economic integration, a transfer of know-how and technology, a build-up of relations between the population and the NGO sphere, and support for reforms. In order to implement the neighbourhood policy, pursued on a bilateral basis and based on individual conditions, the states concerned had to meet certain EU criteria.

The results of the Neighbourhood Policy as seen today are significant. Nevertheless, this policy has artificially linked up the southern and the eastern neighbourhoods of the EU – areas of strikingly different fundamentals, economic and social structures and value systems. Besides this, there is also a lack of recognition of the fact that the Eastern European region is not simply a group of countries along the Eastern borders of the quite recently enlarged EU, but a region that is strategically important for Europe. As there is a chance that we will expand to the east, our European political community built on constitutional order and the protection of human rights, including the rights of minorities should bring these values with it.

Establishment of the Eastern Partnership

The EU's identified strategic and geopolitical interests in its Eastern European and Black Sea neighbourhood demand a clearly defined and distinct initiative and role from the European Union and its Member States within the framework of a future Eastern Partnership. The elimination of 'frozen' ethnic conflicts – which cause continuous uncertainty on Europe's eastern peripheries – is a common transatlantic and European interest. At the same time, it is also a key issue for the next few years of European security policy. We welcome the fact that the European Parliament has already decided – prompted by the European People's Party – that a parliamentary dimension of the Eastern Partnership be established following the June 2009 European elections.

It is a primary task for Hungary in the coming years to work out a comprehensive EU strategy on the eastern neighbourhood, and to actively participate in the formulation of the Eastern Partnership, which currently exists in the form of a Polish-Swedish proposal. A cornerstone of this partnership, in our understanding, is a united and determined stand by the European Union in co-operation with its Atlantic partners in support of the sovereignty, democratic and Euro-Atlantic aspirations of the region's countries and the peaceful resolution of potential conflicts. Such a partnership must stem from the recognition that the South Caucasus plays a pivotal role in the diversification of fossil energy supplies for landlocked EU Member States in the middle of Europe. The diversification of energy sources and routes (construction of the Nabucco pipeline, for instance), and guaranteeing the security of pipelines in the region are prime interests for Hungary, too.

Ukraine's Euro-Atlantic integration

At the same time, we advocate that the European Union pay greater attention to the establishment and consolidation of democracy, the rule of law and a market economy in Ukraine and other Eastern European countries. It is one of the conditions for Ukraine's successful political, social and economic transition that the possibility of accession to the European Union, as well as the possibility of its joining NATO (as a declared commitment of the Ukrainian government), be opened. This would be an enormous factor in the stabilisation of our north-eastern neighbour. Important stages in this process would be full visa liberalisation as soon as possible, and a new agreement opening the prospect of membership and adequately addressing the privileged nature of the relationship.

Partnership with Russia based on conditions

Russia is a factor of outstanding importance both in the world economy and in international security, and it is a country with which the European Union naturally nurtures close ties. A common cultural heritage and traditions also forge a link between Europe and Russia. Recently several problems have sparked controversy between Member States as regards relations with Russia: the shutting off of gas supplies to Europe, the attack on Georgia, the human rights situation in Russia, and certain controversial steps taken by Russian state-held energy companies. Fidesz believes that **the transatlantic community must pursue a common Russia-policy**, which is built on the premise that we are not interested in either an isolated, frustrated Russia, nor in an aggressive Russia opposing the EU and the United States on the most important foreign policy issues. The EU must strive to lay the foundations of its trade relations with its largest Eastern neighbour on the basis of reciprocity and free competition. The members of the European Union must nurture good ties with Russia in a united manner and in consideration of each other's interests. They must withstand all attempts to divide and rule, and with them any efforts to revive old Soviet spheres of influence either economically or politically.

An active role in Mediterranean policy

The establishment of the **Union for the Mediterranean** creates an explicit distinction between the hitherto artificially linked eastern and southern 'dimensions' of European Neighbourhood Policy. We look with optimism on this initiative, whose goal is to give new impetus, through the solidarity of the Member States, to the EU's regional policy in the Mediterranean, and to take an increased role in settling the region's conflicts. A conflict influencing the region's trends for several decades now is the **Palestinian-Israeli confrontation**, which also indirectly threatens the security of Europe. It is in the interests of the global community that, by resolving the conflict, security for the State of Israel and a sovereign and democratic state for the Palestinians be created. Only mutual recognition of statehood and national interests can lead to reconciliation and lasting peace. We advocate that the European Union play a more active role, using all available instruments to firmly co-ordinate with the region's countries; the increased activity of these countries is desirable not only as regards the Israeli-Palestinian conflict, but also in settling its wider regional implications. It should be our task to participate actively in preparing and implementing EU programmes in accordance with Hungary's political, security and economic interests. It is a vital strategic interest for us that the European Union establishes increased ties – political, economic, and especially in energy policy – with the **Persian Gulf region**.

The role of **Turkey** has been important from the perspective of Euro-Atlantic security. We advocate close links with Turkey and we welcome the implemented reforms. As regards the process of EU accession talks, we also support the agreement between Brussels and Ankara concerning the open-ended nature of the accession negotiations. In the coming years Turkey's significance for us can hardly be overestimated in the field of energy security, and therefore close co-operation must be established in this regard.

Paying more attention to Asia

The European Union has only recently started to recognise the geopolitical significance of the **Central Asian region**. One of the signs in this regard was the adoption of the Central Asian strategy in 2007. In the upcoming period, we believe that the significance of the region must be upgraded in terms of the EU's

own security – particularly energy security, but also as regards regional and global security. Hungary's apparent interests also underline this need.

Japan, with its similar set of values and foreign policy orientation, has to remain the most important Far East partner for Europe, and with it Hungary.

We advocate the development of relations between the European Union and **India**, particularly in the field of research and development. We must make it clear that the country can count on us in the fight against poverty. We support India's efforts concerning its drive to secure a permanent seat in the UN Security Council.

It is in the interests of the European Union that it expands its relations with **China** in all possible fields, capitalising on reciprocal advantages and a systematic respect for agreements. As regards political relations, however, we must pay special attention to the human rights situation in China, particularly developments in Tibet and Xinjiang provinces. We welcome the dialogue of EU institutions with China, including the EU-China strategic partnership launched in 2003.

Demonstrating more solidarity with the rest of the world

In the coming years an important challenge for Hungary will be to prove itself capable of demonstrating more understanding towards other Member States in areas of EU foreign policy with less importance for Hungary, particularly in preserving security in the Asian, Latin-American and African continents, in promoting economic and energy policy ties, promoting human rights, and the fight against global poverty. Member States of the European Union strive to shape EU policy in these areas in accordance with their particular set of interests, and Hungary must do likewise. Therefore we advocate that Hungary also contribute more actively to the development of strategic partnerships with certain Asian and South American countries, to adjust international institutions to the changing environment, to the stimulation of economic and trade ties, as well as to a deepening co-operation in the fight against the global challenges of international peace and security, particularly regarding the human rights situation. This should be pursued along the lines of foreign policy interests and comparative advantages, with special regard to the diverging interests and needs of the partners involved. With the UN and EU development policies in mind, we promote the elaboration of a strategy which also puts these countries on the map of Hungary's international development co-operation activities.

Global challenges

Sustainable development

From the perspective of Europe's sustainable development, climate change is of high significance: this may increase risks in existing conflicts, besides producing new challenges. This security challenge requires global action and to this end, the role of initiator from the European Union. If the international rules could be changed, we would not only be able to limit environmental risks: a new set of rules will reinforce an explosive expansion in the international market for energy-saving and climate-friendly products and services. Hungary not only has to possess niche capabilities in traditional crisis management, but also in the field of climate security (technology and services).

Energy security

The developments of the last couple of years have directly drawn attention to the issue of energy security. Hungary is strikingly exposed in energy supply (see more in detail in chapter 2.19), therefore **this question must be handled as a priority of not only economic policy, but also of foreign and European policy**. The establishment of a common energy policy is needed: this must be based on the diversification of sources and transport routes, the prevention of the emergence of monopolies, the interconnection of networks, the separation of energy ownership from transmission operation, and increasing exploration and use of renewable energies.

Guaranteeing human rights

Under the Founding Treaties, the European Union is based on respect for freedom, democracy, the rule of law, human rights and basic civil liberties. EU action, including foreign policy, is determined by these principles, respect for which is a precondition for international peace, security and prosperity. Fidesz believes that Hungary should play an active part in securing and expanding human and minor-

ity rights, including community rights. We must choose those particular issues in the human rights field which Hungary should handle as priorities: these are the rights of minorities, the right to education, freedom of the press and of expression. Support for human rights activists is also an important goal.

It is in our basic interest that the international crisis management endeavours of the European Union – supported by political, economic, as well as civilian and military measures – bring about a repeated use of constitutional and crisis management models already introduced (Bosnia, Macedonia, Kosovo) in the field of multi-ethnic co-existence. It would be very important for Hungary if the cornerstone legal and political elements of these durable crisis management solutions – worked out for the multiethnic states of the Balkans – were adopted as the European Union’s ‘conflict resolution recipe’, and could be applied in other cases. Every single example of constitutional guarantees for minority rights and for the self-government of national, ethnic or cultural communities adopted so far (Ohrid Agreement) or to be adopted potentially in the future (Transnistria, Abkhazia, South Ossetia) may be very important points of reference from the perspective of community rights for securing self-government and autonomy.

A co-ordinated stance against illegal migration, terrorism and proliferation

The European Union must maintain international co-operation in the fight against terrorism and weapons of mass destruction, with special regard to the nuclear aspirations of Iran and North Korea, as well as the fight against illegal mass migration. Within these areas, the EU must step up its efforts to address the root causes of terrorism and migration. Internal co-ordination and the flow of communication must be enhanced between the policies and the institutions, and the priorities must be clearly defined in order to avoid a dispersion of resources.

Multilateral diplomacy: one of the most important instruments in the fight against functional challenges

These challenges need unity and organised effort, the framework of which is primarily the UN and the European Union, but also NATO to an increasing extent.

Fidesz believes that, in order to achieve these goals, Hungary has to make a much more active contribution not only in the EU and in NATO, but also in the United Nations, as a committed advocate of multilateral efforts.

European Security and Defence Policy

Within the framework of the European Security and Defence Policy, the European Union has played an ever-increasing role in the field of crisis prevention and management in several conflict-stricken areas of the world, in close co-ordination with international organisations (UN, NATO, OSCE). It has been clearly proven that the EU is able to represent added value in the efforts aiming to preserve international peace and security, particularly with its civilian instruments, and by the complex application of civilian and military instruments. There are several challenges and problems in European security and defence policy, though. The EU is facing serious limitations in operational capabilities, especially in the military field. The Member States’ contributions vary greatly. Typically, only a restricted number of Member States wish and are capable of contributing significant forces and capabilities. Clear concepts and strategies are often missing. The military capabilities are not adjusted to the new security challenges and strategic goals, the power-projection process often stalls, and there is a severe lack of skills both in the military and the civilian field. The modernisation and the development of capabilities in the armies of the Member States are not properly harmonised, there are many duplications, the interoperability of forces and equipment is low, resources are inadequate or they are not adequately used. Research and development is under-resourced. Fidesz believes therefore that **the instruments must be adjusted to the goals and ambitions**. There must be recognition that Member States are not not capable of mastering the full spectrum of military capabilities and the conduct of more significant operations individually. They are not up to simultaneous EU and NATO operations, and that would in any case lead to unnecessary duplications. We attach special importance to cost-effective multinational co-operation, to flexible solutions for skills development, to specialisation by Member States in certain fields, and to close NATO-EU co-operation.

Hungary, similar to other Member States, is at the crossroads. The two options are either participating in the formulation of a common European defence policy, or staying out of this key area of European co-operation. Fidesz believes that, besides upholding the North Atlantic alliance and maintaining its transatlantic

commitment, Hungary must support efforts aimed at the creation of a common security and defence policy for the European Union. Hungary must contribute to the development of the institutional structures and the skills development mechanism of this policy. At the same time, Hungary must also insist that the formulation of this policy be made in close co-operation with our NATO allies – strategically, institutionally and in terms of the skills developed.

In the coming years and in co-operation with European and transatlantic allies, Hungary must develop those **niche capabilities** which could make a contribution to joint efforts and which could characterise a genuine Hungarian presence in those efforts. Adequate financial resources must be provided for this purpose.

The development of capabilities and the efficiency of defence investments could be enhanced by the creation of **a genuine common market for public procurements in the defence sector**, and a reduction in the fragmentation of the defence industry through competition. This could also secure the preservation of Europe's leading role in those areas where its defence industry is already in a distinguished position in the world. In our view, Hungary's interests also demand this transformation.

A large obstacle in the way of the EU's global contribution has been chronic under funding. In order to prevail over these problems, Fidesz supports an increase in EU budgetary resources allocated for common foreign and security policy, through which Hungary's role might also acquire new aspects. We also support solutions leading towards greater solidarity among Member States and swift and cost-effective financing. Nevertheless, we are aware of the fact that Hungary must first address its own backlog, and must meet its commitments made in defence funding – an issue dragging on for years.

Our most important **goals** in the field of common foreign and security policy, neighbourhood policy and defence are as follows:

1. The influence of the European Union on the international stage must be strengthened. To this end, an efficient common and security policy and a common security and defence policy is needed. The EU must possess a clear action strategy, must establish united representation in the outside world, must develop its military and civilian capabilities and secure the adequate financial resources for all this.
2. Let us Hungarians also be shapers of these policies, along clear priorities and principles and in solidarity with the other Member States. Let us pursue a principled foreign policy. Our foreign policy contributions should be guided by the principle of promoting human and minority rights, including community rights.
3. Let us renew the transatlantic relationship. Let us co-ordinate the contribution of the European Union and the United States in the following areas: international missions, promoting sustainable development, enhancing Europe's energy security, a stable world trade and a sustainable global financial system, relations with Russia, the fight against mass migration, terrorism and the proliferation of weapons of mass destruction.
4. The EU should reinforce its role in its immediate neighbourhood (in the Western Balkans and in the post-Soviet sphere), and must launch the Eastern Partnership. Let us facilitate the EU accession of Western Balkan countries as soon as possible. Let us demonstrate more understanding vis-à-vis the southern neighbourhood, the Mediterranean.
5. Member States of the European Union must establish strong co-operation with Russia in a united way, in solidarity with each other and by taking account of each other's interests in the process, within the framework of a partnership based on conditions.
6. Let us support the efforts of the European Union in developing a common security and defence policy. We should contribute to the setup of the institutional structures and the skills development mechanisms of this policy.
7. Instruments must be adjusted to goals and ambitions. Cost-effective, multinational co-operation, flexible solutions in capabilities development, specialisation of Member States in certain fields and close EU-NATO co-operation are the keys to this result. Hungary must concentrate on developing niche capabilities.
8. Let us create a genuinely common defence procurement market.

3

LOOKING AHEAD – THE EUROPEAN UNION IN 2025

The need to look to the future

It is important for people to have time-based targets. The same is true for countries. A responsible political attitude demands that we draw up plans for not only one electoral cycle, but that we should try to look forward in the longer term. We can already identify tendencies and phenomena that will influence future decisions over a period of twenty years. Future conditions may change, but we can prepare for the challenges of the future by reviewing the information and experience available to us now, and we can create conditions favourable to the making of sound decisions that will serve the interests of Europe and Hungary. For this we must state what our position is in the wider world, on what basis we found social policy, and how the world around us is developing.

Culture and a value system as solid foundations

We must continue to base our position on our culture and value system, broadly interpreted within a climate of competition for economic growth and influence. Europe's culture and its value system encompass the continent's economic, technological, institutional and decision-making culture: the prerequisites for making life liveable. One of the fundamental elements of this culture is people's sense of security, as well as their actual security.

The place of Hungary in the world of the 21st century will be determined by the following processes, conditions and needs:

1. THE INCREASED PROMINENCE OF GLOBAL CHALLENGES

We envisage a substantial shift in emphasis linked to the questions being debated within the European Union; the stress on institutional, legal and constitutional issues must be transferred towards global challenges. Over the last sixty years Europeans have successfully developed an approach for resolving the fundamental differences in opinion which arise between them, have combined their efforts to promote shared values, and have created prosperity. The pace of change has accelerated continuously, and new problems have increasingly taken on global dimensions; it is equally clear that such problems require global solutions. At present the European Union – except for a few promising initiatives – seems usually to react to these phenomena with inadequate speed.

2. A NEW VISION FOR THE FUTURE OF EUROPE AND THE NATION

The effects and gravity of the challenges facing us are enormous: they are long-term in nature and not soluble within deadlines for the near future. As a result, the point at issue is increasingly whether or not we are able to develop a clear vision for the future of Europe and its nations in this changed world.

3. THE EUROPEAN UNION AS PART OF THE SOLUTION

No single EU Member State is able to stand up to the challenges of this globalising environment on its own. We could also say that our interdependence is growing sharply. The governments of Member States and the European Union's institutions

must accept a leading role in assisting each other and in making clear what these challenges mean to the citizens of Europe. We must encourage them to look with optimism and hope to an EU which concentrates on the search for solutions.

4. THE EU AS A COMMUNITY OF COMMUNITIES

Emotional (family), local and regional communal units and interests must receive increasingly large roles as kinds of protective filters against the negative consequences of globalisation. If we are to establish as a political norm the principle of subsidiarity – the basic principle that decisions must be taken at a level as close as possible to citizens – the process of European integration must also come to terms with the concepts of statehood and nation statehood (there are still many who do not recognise the potential difference between a state and a nation). This is why for more than a decade now Fidesz has looked on Europe as a community of communities.

5. THE EU'S BORDERS AND INTERNAL CONSOLIDATION

We must now focus less on expansion of the EU's borders. In recent years Europe has spent too much time on so-called constitutional questions, and not concentrated sufficiently on how to adapt to heightened global competition, fundamental strategic threats and radical technological and cultural changes. The necessity for internal consolidation raises the question of whether sooner or later the borders of the European Union need to be fixed. Further questions relate to how much time is needed for stabilisation of the EU's internal cohesion, and what means must be employed to promote the true emergence of a European identity. Fixing the European Union's borders does not mean an end to the enlargement process; through it, however, greater emphasis will be placed on the European Union's responsibility to prioritise its own interests – its capacity for integration – and less on the accession of countries vying for membership.

6. STRENGTHENING TRANSATLANTIC RELATIONS

It is in our interest to renew our alliance with the United States. We must promote links with all players in a multi-polar world, but it is especially important to reinforce transatlantic bonds based on common interests and values, so that we can answer the economic, energy, environmental and security challenges we jointly face. For all this we must restructure the transatlantic partnership. There is a need for increased co-operation in decision-making on economic and regula-

tory matters for the realisation of a transatlantic market. A realistic geographic and functional division of market roles is desirable, whilst avoiding the prospect of Europe surrendering its own comparative advantages.

7. A UNIFIED VOICE IN THE WORLD

We must promote a unified, effective and influential role for the EU in international relations. It can be seen from developments taking place at the beginning of the 21st century that by the middle of the century we will have lost ground – primarily in economic and demographic terms – to our international competitors. This is why we must strive now for a role in world politics which is as unified as possible, and one which can in the long term counterbalance what will probably turn out to be a less prominent economic position. For this reason the creation of a genuine joint European foreign policy must not be delayed any longer (the Lisbon Treaty will also assist us in this). Strengthening of joint foreign policy would be particularly important for Hungary, because in numerous ways our national interests coincide with the foreign policy aims of a (clear) majority of Member States.

8. REGAINING THE SUPPORT OF OUR CITIZENS

In every area of specialist policy the European Union must serve the interests of its citizens. In recent years Europe's leaders have been preoccupied with debate for its own sake, and in the process of the many reforms and attempts at reform they have lost sight of their citizens. They have not concentrated on the problems of everyday life which the population at large find most pressing, but have become enmeshed in institutional and constitutional debates which span the decades. This is why implementation of the Lisbon strategy has stalled, this is why there is still no common energy policy, and this is why we have done less than could be expected in the areas of environmental protection and food safety. The evidence of referenda held in recent years on European issues and of declining turnouts at European elections indicates that nowadays people have a sceptical attitude towards the EU. Therefore it is an absolute priority that we regain the support of citizens for the European project. The fashionable notion of a Europe close to its citizens must be fleshed out with real substance, as only thus can the EU's legitimacy be guaranteed in the long term. The European project will be haunted by the prospect of its disintegration if the political elite does not change its approach and if, disregarding the need for its ideas to receive the support of citizens, it breaks completely away from the people of Europe.

9. PROMOTING OUR VALUES

In the course of day-to-day political activity EU leaders must assert common European values. Political debate which contradicts common values carries with it the risk of losing public support, and thus the entire European project may be endangered. Democracy is unimaginable without *demos*, without the people. This is why the Lisbon Treaty significantly increased the powers of the European Parliament, an institution directly elected by European citizens and charged with ensuring democratic accountability over the ‘Brussels bureaucracy’; this is also why it strengthened the supervisory role of national parliaments.

In the midst of all these processes, conditions and demands, Europe must compete at the beginning of the 21st century. It is also worth taking into account those **political areas to which more time and resources must be directed at both European and national levels**, so that in the long term developments may turn to our advantage. These are now not only questions for today, but no doubt they will also be themes for tomorrow. These problems can only effectively be solved with joint will and effort; the development and initial execution of long-term strategies and implementation initiatives allow no time for delay.

The formation of parallel European and national identities

The key to the long-term success and permanence of the European Union will be the development of a collective sense of European identity which is positive in essence and possesses core elements which are clearly defined in the eyes of the majority. At the same time we must come to terms with the fact that a negligible minority of European citizens see a politically united Europe as a community with a distinct identity. According to the generally accepted definition, identity is a fundamental building block of modern societies, and so there is a need for a comprehensive action programme aimed at strengthening European identity. The most important part of such an action plan is the recognition that there is such a thing as a common body of European values and principles which the majority of people in every society among the Member States consider to be important and feel to be a part of their inheritance. Education and the mass media could be important channels for communicating this. It must be emphasised that we do not see the building of a European identity to be at the expense of na-

tional and local identities, but founded upon them. On the basis of the concept of the European Union as a community of communities, **the foundation of the European entity and societal model is an obligation towards the interests of a multiplicity of various-sized communities.**

Attainment of a community feeling which could form the basis for a European identity can be realised through wide-ranging exchange programmes and other events, the aim of which would be the discovery of common characteristics. Target groups within the school-age population could participate in such opportunities for encounter. The deepening and promotion of civic relations must be institutionalised. An important prerequisite for the attainment of a sense of community is mutual understanding, for which of course a common language is also needed. The promotion of language education is therefore of prime importance. With its political support, the use of its own system of measures and its powerful and broad-ranging mass communication capabilities, the European Union could become the engine for these programmes. Another important prerequisite for the attainment of community is mutual recognition. The understanding of Europe’s shared past must be a scheduled aim for history teaching in all Member States.

The preservation and reassessment of the European welfare model

Responses to long-term challenges must in the future be built on the welfare model which has existed up to the present. Over the past fifty years the majority of European Union Member States have followed the European model of a social market economy. At a global scale, however, a neoliberal economic system and an unbridled free market have risen to dominance. Even though this has been shaken in the current world economic crisis, this continues to be present everywhere, and a new world economic order (with greater transparency, norms which apply to all, and the elimination of fraud) is only now coming into view.

The crisis has not only highlighted the drawbacks of unregulated markets, however: it has also brought to the surface the absurdities of certain forms of the social market economy as adopted in some countries. At present in Hungary welfare policy is not based on true performance: an ill-considered system of social transfers is a deterrent to active employment, has created dependency among certain sections of society, and – as is often painfully evident – it provides opportunities for fraud. The consequences of such a handicap to economic perform-

ance must also be borne by the active workforce; they are overtaxed and at the same time often in need of state benefits.

Therefore, in order to promote a sustainable model for the social market economy we must adjust to new circumstances. The guiding principle must be that we should do everything we can to enable those who are willing and able to work to do so, and to prosper in the process. We must reassess the tradition of the European welfare state, preserving its values, but at the same giving incentives to join the active workforce. Several (north-) European societies are counter-examples to the mistaken fear that only the economic models of countries with weak social safety nets can be competitive in the 21st century. Neither is it proven that globalisation necessarily leads to the decay of social provision. All this suggests that it is not the level of social transfers which determines competitiveness, but how we utilise them.

Competition in the future is not an aim in itself, but a means to the maintenance of European prosperity. From economic, societal and environmental viewpoints sustainable competitiveness – and the collective provision of a system of prerequisites for social cohesion based on European norms – will increasingly raise the question of the state's role at a European Union level, and may force national redistributive models to converge.

Encouraging people to build families

Europe's most basic and intractable problem is its low birth rate. The latest research suggests that if population growth stays at its current level, the population of the European Union will fall dramatically. This will lead to a weaker European economy, national cultures will lose their vigour, and the internal cohesion of the European Union's member countries will decline. All this will exert an influence on our role in the world: we may be forced to accept a lesser role in the international arena. To deal with the challenges arising from demographic changes, we must employ every means at our disposal to promote a rise in the birth rate. **The solution** is support for the desire to raise children and a **strengthening of the role of the family**. The member countries of the European Union must develop their own programmes for the maintenance of their populations, and the European Union's specialist policies and strategies must supplement these through employment, healthcare, education and cultural policies in the widest sense of

the term. The national and European value system arising from all of these will in the long term assist Europe in overcoming its demographic problems.

A more considered immigration policy

Another controversial question linked to the theme of Europe's population level is a growth in the number of immigrants, which, though assisting in making up for a lack of applicants for unskilled jobs, is weakening an already difficult employment situation in member countries. The appearance of divergent customs and cultures in the continent may loosen national cohesion, and religious and fundamental lifestyle differences may provoke social and political tensions, and may increase segregationist tendencies. It would be a mistake to treat the symptoms with short-term political measures instead of tackling the causes. With regard to immigration we must reassess our policies on its legal forms, which have so far perversely promoted the influx of unskilled labour, and we must replace these in part with policies which facilitate the immigration of skilled workers. We must act to make Europe more attractive compared with other parts of the world, and thus increase the number of skilled workers wanting to come here: we must reverse the 'brain drain'. In this area we must proceed with extreme caution and sensitivity, however, because Europe – consistent with its value system and as the world's largest aid donor – should not drain the intellectual elite from developing countries. Through exchange programmes, time-limited contracts and other techniques it is possible to strike a **responsible balance** between Europe's need for workers and its attraction for potential immigrants.

The creation of internal cohesion within the EU as a continuing goal

The position of the European Union will also in large part be determined in the coming decades by how differences between member countries and regions develop. It is an old principle of integration that a prerequisite for the successful operation of any economic community is conformity of development level among its members. The European Union's cohesion and regional policies have been very successful over the course of the past decades, but the increase in the number of members has naturally brought with it differences in growth. No level of cohesion in the EU is sustainable without a large-scale, relatively rapid and deter-

mined reduction in the existing differences in development across the community. But the aim of moderation of disparities must not be the homogenisation of the regions. **Bridging the developmental gaps between Member States and regions is a task for all of Europe**, with the continent's international success at stake. This point must be considered particularly by those countries which in the future intend to contribute less to the creation of internal cohesion. Falling below the EU's average developmental level, the so-called convergence states – including Hungary – have an interest in retaining the foundations of the current support system.

The knowledge-based economy – not only in words

Europe must face up to the changed world economic situation with much greater awareness and innovation than it has so far shown. The pace of globalisation is quickening, production has shifted to services, and Asia is taking an ever larger share of these. Europe is being left behind in the fields of both production and competitiveness. This process will also change the global balance between countries. It is up to us whether in the next twenty years the relative underperformance of Europe related to Asia will be the consequence of a process of convergence, or of more dynamic regions leaving Europe behind for good. There is only one strategy for the prevention of the catastrophic consequences of such a process: **Europe must stand at the forefront of the information revolution**. In every field the knowledge economy must be built on the foundations of information technology. This will not be an easy task: education, innovation and a thirst for enterprise must be brought to bear. In this mission Europe must free itself from every structure and regulation which would smother the dynamic spirit of enterprise. Over the coming twenty years increased competition between national educational systems will also become unavoidable. In the fields of education, innovation, the knowledge economy and information technology we must achieve change. There is indeed **the need for a radical European IT revolution**. Given an appropriate response, the fact that Budapest is now home to the headquarters of the European Institute of Innovation and Technology could mark a breakthrough for Hungary, as could the fact that the research workshops and initiatives of the Hungarian Academy of Sciences (*World Science Forum*) have garnered worldwide recognition and praise.

Redrafting of the Lisbon Strategy

For all of the above however, we must redraft the goals of the Lisbon Strategy. The renewed strategy must place aid for **small and medium-sized enterprises, job creation and European research and development** at its heart. We must arrive at a point where the European Union's budget guarantees the funds necessary for attainment of these goals. For maintenance of the EU's unity it is vital that Member States enjoy equal access to realisation of the Lisbon goals. It is also important that incentives reach the relevant parties, and that the governments of all member countries rise above short-term political and budgetary considerations. The support of knowledge centres in the new member countries backed by an advanced research and scientific culture is vital. Today lack of funds often results in new member countries being unable to prevent their best researchers leaving them. The brain drain still benefits American competitiveness rather than that of any parts of Europe, however. We must reverse this trend.

A functioning common energy and foreign policy

Energy in the 21st century is not merely an indispensable convenience from the point of view of continuous economic development and prosperity, but it has also become **a means of exerting political pressure**. Our increasing dependence on imported energy has also increased the significance of security policy related to energy supply. Even if we succeed over the coming two decades in improving energy efficiency and increasingly converting to renewable energy sources, **our vulnerability with regard to oil and natural gas will not significantly decrease**. Consequently we will have to continue to source a large part of our energy consumption from beyond Europe's borders, and we will find ourselves in ever greater competition for energy. A large proportion of imported energy comes from crisis regions. The future stability of production will also be heavily dependent on the internal politics of the main suppliers, and their regional power ambitions. These political manoeuvres could however change the balance of power in the world. We must take action with effective political and economic measures to combat this exercise of power. Energy security is becoming a primary factor from countries' national security and economic development viewpoints. In consequence of the above **we must deal with this dependency through a common energy and foreign policy equipped with suitable provisions**. Energy security

must be seen as a basic element of the European Union's general security. We must build this new policy on **solidarity, diversification**, and the promotion of **sustainability**. This policy must be coherent, meaning that it must enjoy the support of the EU's other specialist policies, the Member States and industry, and it must be interwoven with EU foreign-policy goals in the widest sense, such as conflict prevention and the promotion of human rights. Thus the development of a common European energy policy is desirable, because without it the Member States will be vulnerable and divided.

The exploitation of new technologies in the interest of security and environmental protection

The challenges arising from climate change are an incentive to utilise new technologies, and to support associated research and investments. We urgently need to develop new technologies which provide greater independence to Europe with regard to energy supplied from Russia and the Middle East. The European Union and Member States must offer industry, small enterprises, regions and local authorities – as well as home-owners and consumers – major tax credits and tax incentives: on the one hand these can encourage research and development, and on the other hand they can promote the earliest possible introduction of technologies linked to renewable energy. Over the next two decades the real challenge will be to find a way of strengthening the kind of spirit of enterprise – together with the associated professional knowledge and education – that will offer us the best chance to be the first to exploit all the advantages of potential technologies. Widespread environmental consciousness among European citizens is in Europe's common interest, and could be the foundation for a stronger European identity.

A strong Common Agricultural Policy

One of the oldest – and to this day one of the most important – common European policies is the Common Agricultural Policy. In consequence of the food-price instability of recent years and the greater unpredictability of agricultural markets, **food has once again become a product of strategic importance**, similar to oil and natural gas. The main original objective of the Common Agricultural Policy – **the guaranteed provision of food for Europe** – is still in the basic interests of

European citizens. Food security means the provision of food of adequate quality and quantity. Experience has shown that only **European** farmers are capable of providing **European** consumers with food in sufficient quantities and of adequate quality. For this, however, in the future we will continue to need a strong, jointly developed European agricultural policy. Without a strong European agricultural policy there cannot be a strong Europe. For just this reason European decision-makers should not be thinking of dismantling agricultural policy, but of reinforcing it.

We must place our trust in the story of the 21st century eventually confirming that the new century is a counterblast to the 20th century. We must place our trust in humankind being able to learn from tragedies, and being able to recognise that it is threatened by dangers and external enemies that, if not opposed by a strong community, may one day lead to annihilation. We must place our trust in the European community jointly seeking solutions and – though it can by no means create a perfect world – being able to reduce world poverty, slow climate change, find an increasing number of varied solutions to the questions of energy and drinking-water provision, and suppress fundamentalist terrorism. All this will become possible when, in possession of the lessons of history and through recognising the global dangers facing it, Europe strengthens its internal unity and solidarity.

