

Draft resolution
**“The Social Market Economy in Europe
– example for the global economy”**

Proposed by
Junge Union (Germany)
Adopted on the
YEPP congress in Rome

Recognising:

- That the current economic crisis is the most severe one since 1929 and that instabilities in the financial sector gives it systemic proportions
- 5 • That the economic downturn is marked by an unprecedented speed and by its global scale with all regions of the world being affected at the same time
- That command economies of the socialist type proved their incapacity and failure historically and that excessive economic dirigisme of state-oriented economies can be no recipe for long term growth and prosperity
- 10 • That protectionism once proved as a fatal accelerator of the Great Depression and as an inhibitor of economic recovery in all developed economies of the period

Considering:

- 15 • That competition is the best means to bear the creative potential of people, to prevent the undue concentration of economic power and create chances by safeguarding the access to open markets

- That the economic integration of Europe after the Second World War with its emphasis on opening markets and fair competition created unprecedented wealth to European nations and their people
- That global trade fosters growth and prosperity by intensifying the exchange of ideas, allowing higher levels of economic specialization and differentiation, giving access to global diversity and guaranteeing competition
- That a balanced economic development in the framework of a Social Market Economy that takes into account the interests of enterprises and of employees, of the unemployed, of families, students and retirees leads to economic and social stability and long term growth; on the other hand one-sided approaches focusing exclusively on short term profits, capital value and capital markets lead to economic instability, social injustice and the destruction of values in the long run
- That dynamic financial markets are an indispensable condition for economic dynamism in all sectors, but that they need comprehensive global regulation and control to prevent their degeneration and the accumulation of irresponsible risks
- That long-term oriented economic development has to benefit a vast majority of the population and has to be guided by the mutual respect for the economic interests of all participants
- That the care for social equilibrium by the state and the support for disadvantaged groups aiming at improving their educational and economic chances is an integral part of the Social Market Economy

YEPP calls on the EU and its Member States:

- To maintain a liberal and social economic order in the European Union and in the member states in line with the economic system and practice of the Western European economies of the post-WWII-era summarized by the concept of a Social Market Economy
- To withstand the temptation of protectionism and continue to effectively fight against distortions and inhibitions of competition and excessive and unjustified interventions of states
- To provide for a balanced economic development and social equilibrium in the Union and all member states while preventing unfair competition between member states
- To advocate the model of the Social Market Economy in the world and to safeguard free trade while aiming for the integration of social rights, ecological

55 criteria and the protection of consumers and intellectual property in global trade institutions and mechanisms

- To remain faithful to open and global financial markets while developing and implementing comprehensive global regulation together with its partners in the framework of the G20

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YEPP calls on the EPP and its member parties to stand up for the Social Market Economy and the principles of fair competition, open markets and social justice in the upcoming European election. The European election of 2009 takes place at a historical crossroads where Europeans are faced with the decision between the renewal and strengthening of the Social Market Economy or its demise in a run for protection-
65 ism and interventionism on the road towards a state-economy. The EPP-family has to be firm in defending a liberal and social model of economic development that has proved successful for decades. The Social Market Economy deserves to be exported to the other regions of the world and should be the guiding idea in reshaping the
70 global economic system.