



# “Empowering Europe’s middle class in a world of shocks”



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The middle-class is the backbone of our European way of life. This is about jobs, and dignity, and fairness. It’s about having the opportunity to learn, to get involved, to make a difference. A strong and thriving middle-class — of all those who want to work, pay their fair share and contribute — is quintessentially European, embodying the promise of a decent living throughout people’s lifetimes.

This is the essence of the social market economy and these are the values which have always grounded and guided our European People’s Party. The EPP understands the concerns of the middle class. Middle-class citizens promote education and entrepreneurship; they boost growth and build social and political stability. The middle class is proud to be playing this role in our society, a role we should rightly acknowledge and honour as a great contribution. We must make sure they are never left behind — no matter where in our Union they live.

Multiple shocks have put Europe’s middle class under pressure and at risk. They have felt the rising living costs, for health care and for housing, the stagnating economies, the inflation, the job losses in traditional middle-class professions. Labour markets have become more precarious, and even those with skills can struggle finding a good and steady job. Today, young people face more difficulties than their parents did in buying their first home. Many are unsure their living standards will improve as in the past. Middle-class households already pay at least their fair share in taxes and social security; it is important that they receive in return their fair share of public protection. Against this background, it is ever more important to have policies that support the income of families and help small-business owners keep their shops running.

The medicine for this is quality jobs with adequate wages and growth. It is only through jobs and growth that we can create stable economies, decrease state debt and provide adequate social security. We have to strengthen the middle class as the heart of our societies. This is imperative in today’s world and crucial to our competitiveness. Ensuring decent jobs and investing in skills for our citizens of all generations not only will support our growth but will crucially help us achieve our climate goals, preserve the high standards of living that make up such a vital part of the European way of life and tackle the demographic challenges we are faced with.

This means, fundamentally, completing our Single Market, one of our Union’s greatest achievements. This includes taking a leading role in digitalisation; and so the Digital Single Market is a priority. We must provide a level playing field for European small- and medium-sized enterprises (SMEs) and industry, acting against unfair and uneven competition from third countries where necessary. We must deliver our Capital Markets Union to free up more and new, faster investments so businesses can get off the ground and grow. And we must urgently deepen our Energy Union — and deepen ties with long-time trusted partners like Switzerland and Norway — to bring down soaring costs. Strengthening the middle class also means creating an ecosystem of innovation — with more focus on research — especially for our start-ups and SMEs, which form the backbone of middle-class prosperity. Let’s cut red tape and introduce a competitiveness check for all new legislation at EU level.

The EPP stands firm on the EU’s principle of subsidiarity. The focus should be on the individual’s potential for self-fulfillment; and decisions should be made as close to the level of the individual as possible. For common issues, we need European solutions; but each country, region and municipality should also play its part.

To strengthen the private economies of regular working people, it is important that Member States make structural reforms to improve employment rates and the overall economy. Debt sustainability and sustainable growth are vital goals towards which the EPP strives. Member States must maintain taxation, in particular income tax, at a reasonable and fair level: to ensure competitiveness. People thrive when they get to keep a larger share of their salary. This improves purchasing power, living standards, public finances and the overall economic outlook.

Europe’s middle class faces pressure, too, from geopolitical shocks. Russia has waged not just war against Ukraine but energy war against Ukraine’s supporters, including the EU and EU allies and partners. China is more aggressive and dominant. Our American friends have powerful concerns and interests of their own. The rest of the world keeps growing, and catching up. In today’s world, alongside the green and digital transition, the Union must put its open strategic autonomy at the centre of its policy considerations.

To compete with powerful global actors, the European Union’s competition and state-aid rules must be updated and simplified: to allow the speed and flexibility needed to stay ahead of the curve, safeguarding a level playing field for our industries and enterprises and ensuring good jobs are created — and stay — in Europe. Let’s make better use of the rules — and of the funds — we already have, and stop burdening innovators and entrepreneurs who want to create and thrive in Europe.

We must review our rules on mergers. We simply must have a more strategic, global outlook for the sake of our European champions: to be competitive vis-à-vis the Americans, Chinese and others. But we must also ensure a level playing field for companies throughout the EU, including those originating from smaller Member States. We can only reach our climate goals with a realistic, long-term industrial policy that keeps our economies competitive and productive. It is important to take into consideration climate criteria at the global level — such as via the Carbon Border Adjustment Mechanism (CBAM); in this way, the EU can bring about tangible change. On other fronts, the EU needs to prepare for the challenge posed by China within different sectors.

We must urgently move forward on our ambitious trade agenda, delivering the deals already negotiated and forging new partnerships: to protect critical supplies, expand our markets and continue leading the way forward on climate and for basic rights. Let’s ratify the deals with Canada, Chile, New Zealand and Mexico — and finish the job with Mercosur! Let’s be a leader in trade diplomacy, and let’s explain to our people why such trade deals are important. We should also not forget our strong, invaluable ties with our partners throughout the European Economic Area.

Creating and fostering the right environment for R&D is also crucial in this respect, especially having simpler rules and investment opportunities through venture capital. Yes, we want Europe to produce clean tech. But high-end production alone will not be enough. Ensuring long-term competitiveness and prosperity will require Europe’s being fit for the digital age. We need to address connectivity gaps regarding the internet and online education and services, including in rural and remote regions of the EU.

Finally, we are in the midst of a green, digital and demographic transition — and we must ensure it is a fair one. Making our social market economy work in today’s world means being smarter. More productive. More efficient. More strategic. More assertive. And more united. Most of all, it means keeping people —

families and shopkeepers, workers and students, parents and grandparents, neighbours — at the heart of our vision for Europe’s way of life, and Europe’s future. We must increase our investment in human capital. Social cohesion matters. We have to make sure everyone is engaged and can participate — so everyone’s voice is heard, even amidst the cacophony of social media, and no one is left behind. This is how we ensure our essential values of freedom, security, growth, prosperity — and societies not pulled apart by populism and extremism. The European People’s Party is the only true people’s party in Europe; and we must be the voice of the middle class. We can only do this together.

Let’s live up to the European Union’s potential and maximise our full strength. Together we can achieve a more competitive Europe which will ensure the security and prosperity of Europe’s middle class: the backbone of the economic, social and political resilience of our Union.

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**If you have any question you would like to ask please contact us.**