



## **The Social Market Economy in a Globalised World**

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I want to live by my own resources, I want to take my own decisions in life and be responsible for my own destiny. From the state, I expect only that it will create the preconditions which allow me to live in such a way.

– Ludwig Erhard

My defence of private initiative is based on the considered belief that a planned state economy is not only bad economics, but also that it suffocates freedom and is harmful to social well-being.

– Luigi Sturzo

## **I. History of ideas and background**

The Social Market Economy comprises much more than just an approach to economics. It is the expression of a philosophy committed to a humane society which aims at the dignity, well-being, self-determination, encouragement, freedom and responsibility of all individuals, as expressed in the Declaration of Human Rights adopted by the United Nations on 10 December 1948.

The principles of a Social Market Economy were developed in the first half of the twentieth century, in reaction to Europe's catastrophic experience with crisis, totalitarianism and war. Although first implemented in Germany as a market-oriented and non-socialist approach by Ludwig Erhard – the first Minister of Economics of the post-war Federal Republic of Germany – and ordoliberalists such as, for example, the economist Walter Eucken, the Social Market Economy was already developed and refined in the 1930s by a European network of scholars and politicians from France, Italy, Switzerland, the United Kingdom, Benelux, Austria and other countries. Among them were Louis Rougier and Wilhelm Röpke of the Institut Universitaire de Hautes Etudes Internationales in Geneva, Jacques Rueff of the Centre International d'Etudes pour la Rénovation du Libéralisme, members of the Lippmann Colloquium in Paris and, in London, prominent members of the London School of Economics (LSE) such as Lionel Robbins, together with the leading representatives from the Austrian School, Ludwig von Mises and Friedrich A. von Hayek. Also, the President of the Italian Republic, Luigi Einaudi, inspired by the founder of the Italian Popular Party and political analyst, Fr Luigi Sturzo, enacted policies aimed at the integration of liberal economic principles in the various social, political and economic aspects of life in the name of the unity and integrity of the idea of freedom. This opened the way to ideals such as self-determination and self-fulfilment, and was an important factor in the Italian economic miracle in the post-Second World War period.

According to the founding fathers of the Social Market Economy, Europe's crisis of the 1920s and 1930s, leading to the catastrophe of the Second World War, were caused mainly by the deterioration and eventual failure of a free and competitive market. In particular, this was due to a weak state which was unable to control the emergence of monopolies and oligopolies, and the resulting lack of competition. The founders were convinced that the decline of market principles was caused by state interventionism, protectionism, collectivist central planning and the destruction of a stable and free monetary order. These factors, among others, had led to the disintegration of the democratic state during the troubled years of the Weimar Republic in Germany, and to the rise of totalitarian rule under the Third Reich. The founders of the Social Market Economy clearly believed that neither state intervention, nor control along Communist lines, nor a state powerless in the face of private economic interests, would be able to rebuild their countries and secure their economic and political future. In fact, they saw that a socialist planned economy would ultimately destroy people's legitimate pursuit of happiness, their freedom of choice and right to self-determination. On

the other hand, they did not underestimate the consequences and the excesses of a weak state, unable to guarantee the rules of free competition and safeguard the rule of law and social justice.

The Social Market Economy is not only a set of economic rules but a deeply normative system based on strong values. The founding fathers of the Social Market Economy envisioned a system in which economic growth and social sustainability were no longer opposed to each other but would work in harmony to ensure a sustainable and positive development for society as a whole. The Social Market Economy was intended to bring the values of individual freedom, solidarity and subsidiarity together. It is a concept that combines the efficiency of the market with equal opportunities, an alternative to classic liberalism, which is based on efficiency without equitable development, and to socialism, which rests on equitable development without efficiency. The Social Market Economy is deeply rooted in our political family. It has found its clearest expression in the development of Christian Democracy in post-war Europe, and it represents a basic principle of all centre-right parties in Europe. Recent attempts by the Socialists to undermine this historical truth and claim ownership of the Social Market Economy for themselves should therefore clearly be dismissed. As the example of Poland proves, Christian-orientated workers and their representatives stand for freedom and democracy and against the oppression of the freedom of conscience and the freedom of thought.

### **The principles of the Social Market Economy and the role of the state**

The architects of the Social Market Economy clearly recognised that only adequate framework conditions, created by the state – the public authorities responsible for the different levels of government – would be capable of counterbalancing both powerful special interests and state authorities, thus safeguarding free market competition on a constitutional level. Free market competition was to be based on principles such as private property, freedom of contract, freedom to set prices, free trade, predictability of economic policy, the rule of law, personal liability and price stability, and it was made possible by policies aimed at stable money, sound public finances, respect for the environment and open markets. As market actors may behave irrationally or narrowly focus on short-term gains, thereby distorting and putting the market at risk (a phenomenon highlighted by the current economic crisis), government action needs to create adequate framework conditions, such as rules for non-discrimination and fair competition and against excessive risk-taking. This must be done, however, without distorting the market economy as a whole. In other words, the economic order must be guaranteed by the state, but without interfering directly in the economic process. The competition and cooperation between free entrepreneurs and consumers in a free market price system constitute a unique discovery process which is able to incorporate much more decentralised and spontaneous knowledge than central planning by powerful political authorities ever could. Entrepreneurial forces are thus turned into a powerful tool to increase the wealth of all nations – prosperity for all.

In order to achieve this, the state must not be omnipresent but should act as a rule-maker and referee, establishing and enforcing the ‘universal rules of just conduct’, as the German philosopher Immanuel Kant, the Scottish philosopher David Hume and – in our days – the Austrian economist and Nobel laureate Friedrich A. von Hayek and the French economist Claude-Frédéric Bastiat put it.

Accordingly, the synthesis of an economic and a social order is created by combining concepts such as ‘individual liberty’ and ‘free market competition’ with those of ‘equal opportunity’ and ‘social rights’ which, contrary to widespread belief, are absolutely compatible notions. Clearly, it was recognised early on that without freedom and competition as a means to curb both private and state powers, there could be no solution to the social question.

This, on the other hand, guarantees equal opportunities for everyone, allowing for individual talents to unfold freely. By ensuring the ‘rules of the game’, state action safeguards not only free competition, free enterprise, wealth creation and social peace, but also guarantees basic principles such as subsidiarity and solidarity with those who cannot help themselves. ‘Solidarity’ also means support for the weakest members of the community, both by civil society and public institutions, while ‘subsidiarity’ is understood as the responsibility of all individuals to take care of themselves, while the higher level of society has an obligation to step in whenever an individual does not have the capability to do so and the higher level is better equipped than the individual to deal with the issue at hand. This is valid both for the individual and for institutions and associations. Subsidiarity is therefore also the key principle for all levels of society and public life. In fact, European integration means the creation of a region where subsidiarity, solidarity, social justice and pluralism are at the basis of an open and competitive discovery process in search of new and better solutions.

Against this backdrop, it is important to recognise the economic and social value of the non-profit and voluntary sectors in Europe, as they provide valuable employment opportunities and fulfil a precious role in the well-being of society.

The weakest members of our society deserve solidarity and direct support from the state as long as they cannot support themselves. State intervention which leads to price distortions, such as subsidies and exemptions, should be avoided and direct welfare payments to those who cannot support themselves should be preferred. Therefore, the temporary assistance by the state for those individuals who are unable to reintegrate into the labour market should be safeguarded. However, this policy should never be in contradiction to the basic principles of personal responsibility in a competitive market system, as it would destroy the very basis which creates ‘prosperity for all’.

Committed to the principles of the Enlightenment and the Christian concepts of personal responsibility, solidarity and subsidiarity, the architects of the Social Market Economy believed that the state must never mutate into a ‘collectivist social planner’ of people’s lives but, on the contrary, should allow every human being to freely assume responsibility for his or her own life. In this spirit, the decentralisation of the state and the transfer of power, responsibility and appropriate resources from central to local or regional institutions should be encouraged in order to empower people, in contrast to socialist and Communist models. We acknowledge the increased challenge for the Member States to put emphasis on a stronger partnership with their local and regional authorities, where the welfare and prosperity of citizens is developed, in particular within the context of globalisation, the economic crisis and the growing diversity of the European Union. Embedded in a constitutional democratic state, the Social Market Economy is thus a social system which also deeply corresponds with the Christian vision of the human being as a ‘totus unus’ with the social order and with nature.<sup>1</sup> Indeed, it is the purpose of the economy to serve the people.

Equally, and by asserting that *the market is intrinsically social because it is the only force able to satisfy the needs of all citizens*, the founders of the Social Market Economy underlined the social and distributive power of a free market economy based on the principles of free competition, the rule of law, monetary and fiscal stability, respect for the environment and economic growth as the foundation of any ensuing system of social distribution. According to the founding fathers of the Social Market Economy, only the free market could distribute *a maximum of economic advantage and social justice to all*.

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<sup>1</sup> In the words of Wilhelm Roepke, ‘the measure for the economy is the human being; the measure for the human being is his relationship to God’. See also the Encyclicals *Rerum Novarum*, by Pope Leo XIII (nineteenth century), *Quadragesimo Anno*, by Pope Pius (1931), *Centesimus Annus*, by Pope John Paul II (1991) and *Caritas in veritate*, by Pope Benedict XVI (2009).

The final goal was and still is to create the preconditions for a ‘good life’ for all. In this sense, the broad participation of people in the general economic process and sharing of profits is a central priority for the Social Market Economy, which also requires strong social partners.

Finally, this model has not only been the path to success of post–Second World War German recovery, the so-called *Wirtschaftswunder*, but has also provided the basis of our current economic prosperity and political and social stability in the European Union as a whole. Beginning with the Treaty of Rome in 1957, some principles of the Social Market Economy such as open markets, free international trade, competition and anti-trust rules have been adopted and integrated into the European Union. Consequently the Lisbon Treaty, once it enters into force, stipulates that the EU should be ‘based on a highly competitive Social Market Economy’ (Art. 3.3). By adopting this treaty, the EU has demonstrated its programmatic commitment to the Social Market Economy as its ‘desirable European social model’. The widening of the political functions of the European Union in various areas, following the welcome approval of the Lisbon Treaty, will allow the Union to strategically address the Social Market Economy in a broader way than one of the national states would be able to do.

## **II. The Social Market Economy and the challenge of globalisation**

The European model of a Social Market Economy has been able to deliver high levels of prosperity, growth and social cohesion for the past 60 years in Western Europe and in many other countries in the world. For a long time, the Western world, and particularly the European Union, has been seen as a success story. Globalisation – together with the success of the market economy worldwide – has stimulated economic growth around the world. However the current financial and economic crisis has also made it painfully obvious that globalised markets need clear and better rules and efficient supervisory systems based on ethical principles. This is especially true for the financial markets, as they guarantee the functioning of our economies. As the recent crisis has shown, malfunctioning financial markets cause enormous problems for our economies as a whole.

Therefore the promotion and strengthening of the principles of the Social Market Economy in a more international and connected global economy must become our top priority. Both the developed and the developing countries are able to profit from the opportunities of globalisation and share the responsibility to address the global challenges we are all confronted with. The principles of the Social Market Economy can contribute to addressing these challenges. The process of globalisation, in particular, has increased the need for a structural renewal of our economies in order to reach higher levels of competitiveness, innovation, productivity, sustainability and inclusion, leading to social justice and cohesion in the European Union. This is also the prerequisite for providing jobs for our citizens and maintaining and strengthening social cohesion.

In addition, the idea of a more sound and efficient management of the public good must be strengthened and combined with a stronger recognition of only those professional and managerial abilities which are based on the high-quality performance of workers and managers, starting with the public service sector. The ‘efficiency/merit factor’ in public administration must once again be at the forefront of our critical assessment.

Issues such as Europe’s demographic growth prospects, ageing population, immigration, energy supply and global environmental concerns, tied to global climate change or consumption and production patterns, and questions regarding the sustainability of our current pension and welfare systems, must all be taken into account as they constitute a long-term challenge for Europe. Moreover, the new international dimension and the fast-moving knowledge-based society reinforce the need for action, as already proclaimed by the Lisbon Agenda. This requires that we focus more efforts on the new challenges posed to our educational systems and promote the development of a free and open educational system, where the individual and the family can choose based on their own wishes. A free educational system is more efficient and more competitive; it can better respond to the needs of the individual human being and the demands of the market, because it is more flexible and quicker to catch up with and adapt to the economic and social changes that require a constant renewal of our labour skills in a fast-changing environment. Nevertheless, education is a holistic concept: the human being must not only be treated as an economic variable, but also needs to be understood as a ‘totus unus’ in a way that respects his or her inherent dignity.

The redistribution policies in many EU member states do not provide enough incentives for unemployed people to get back to work. Some ‘social policies’ prove in fact to be antisocial because they discourage people from caring for themselves and instead leave them on the fringes of our society. More attention should therefore be given to policies which aim at stimulating the individual’s responsibility, thus pointing out the moral obligation of all individuals to each other and to society. People who are deprived or disadvantaged in their employability need, however, to be supported. The poor and the weakest people should never be left outside of our society, and more attention should be paid to improving their living conditions.

The principle of solidarity is applicable also at the level of relations between the EU Member States in the process of implementing EU policies. A more efficient and dynamic integration of Central and Eastern European countries as well as a high level of ambition concerning their convergence is desirable in order to have a more equitable social and cohesion policy in the EU.

In summary, the Social Market Economy is based on the following four main pillars:

- Individual freedom, personal responsibility and private autonomy vis-à-vis the state and powerful interest groups, embedded into a strong civil society.
- Free markets, that is, functioning competition, private ownership of the means of production, free pricing, freedom of contract, private liability, controls against monopolies and abuses of power, free international trade and monetary stability. In short, a market is free only when there are common rules which are clear, applicable and provide legal certainty.
- Solidarity and subsidiarity with the goal of respecting human dignity and safeguarding social peace through policies compatible with a functioning market as well as with the principles of reciprocity and sustainability.
- Respect for the creation as held in trust for future generations and as a common heritage essential to the harmonious development of every future human being.

### **The Social Market Economy – our way out of the crisis**

Today we realise more than ever before that the international financial markets need common global rules in order to function in a sustainable way. We need a global framework which is able to keep pace with the innovations of the financial markets. Only a global approach can deliver solutions for global problems. The EPP is in favour of intensifying cooperation at European level and strengthening multilateral institutions. The jointly agreed European and international measures to stabilise the financial markets were the first step toward new rules on an international scale. Now we need to agree on new international rules based on the ideas of the Social Market Economy which embrace respect for ethical and moral principles.

As a matter of fact, the recent financial crisis made it obvious that some fears about unregulated global financial markets are justified. The huge impact of globalisation has helped promote a sceptical view of the market economy among many people, even casting doubt on its validity for developing countries. However, despite all the current hardships and unresolved regulatory questions, the EPP is convinced that market forces are able to create unprecedented growth, prosperity and wealth worldwide. The power of the market economy to generate wealth and expand freedom is as yet unmatched, but this crisis has also reminded us that without the proper institutions and framework conditions, the market can spin out of control. This needs to be avoided since, for the EPP, the market is not an end in itself but should be at the service of citizens. Our goal is to create ‘prosperity for everyone’.

The crisis in the global financial markets revealed a general lack of regulation and a particular lack of functioning supervision. What we are witnessing today is not the demise of capitalism, as many detractors among the Socialist camp are saying, but the result of a failure of supervision and regulation in the financial sector both in Europe and in the United States. In short, the actors in the global financial markets did not operate according to the Social Market Economy, the founding economic and social principle of the European People’s Party. On the contrary, the proper framework conditions which are necessary to make the financial markets work correctly were not

applied. To return to the founding fathers of the Social Market Economy, the axiom of ‘as much market and private initiative as possible, as much state as necessary’ is today more valid than ever before. In this sense, the role of the state versus the role of private actors, especially in the financial world, must be carefully reassessed, considering the public demand for more economic efficiency, social coherence and solidarity.

Our main concern remains to ensure economic dynamism and inclusion in order to increase employment prospects in Europe, and to create the necessary conditions for the world economy to recover. Politics has to concentrate on improving framework conditions to make it easier to grow businesses and to start them, because small and medium enterprises (SMEs) will be part of the solution. However, only through internationally accepted rules and regulatory frameworks will we be able to bridge the current financial and economic crisis, thus avoiding the siren calls of regional and supranational protectionist measures.

### **For an economy that serves citizens**

It is our aim to achieve a high level of employment and social cohesion, and in order to achieve this we will need to do more. In a highly competitive and performance-oriented economy, the EPP is in favour of increased flexibility in labour markets, dismantling needless legal and bureaucratic barriers in order to allow ‘fair competition’ in Europe and worldwide, and encouraging our SMEs, which stand for innovation and entrepreneurial activity. SMEs have enormous capacity to create ethical values, and to boost sustainable investments and create jobs in the future.

Moreover, the EPP is in favour of a strong social dialogue in order to maintain a balanced social peace. It is widely but wrongly believed that more inclusion necessarily means less economic efficiency (and vice versa). On the contrary, the Social Market Economy is the solution to the social question, focusing on the one hand on social peace, and on the other hand on the role of the state as arbiter and enforcer of equal rules of just behaviour. We support those ideas, taking into account the fundamental and positive changes brought about by growing international trade, globalised production processes and the new dynamism created after the fall of Communism, through a renewed freedom of choice.

An ecological conscience and sense of responsibility have been rooted in the Social Market Economy from its beginning. A renewed, globally oriented Social Market Economy will boost sustainable growth and increase efforts against environmental damage and climate change. These efforts require a global approach which includes not only the industrialised countries but also the developing countries, as well as the least developed countries. By stressing research and development of environmentally friendly technologies and by enhancing global technological cooperation, the ‘eco-logical’ Social Market Economy will boost eco-innovation and green employment for the global welfare of all people. To avoid market distortions, however, we need regulatory frameworks that are applicable worldwide.

The European People’s Party, as the biggest pan-European party, advocates measures and reforms which, if implemented at relevant levels of policy making – local, regional, national, European and international – should help reshape our Social Market Economy and thus make it more resilient in the face of the challenges of the twenty-first century. We are convinced that this can be done without renouncing the fundamental and underlying idea of a combination of freedom in the market and social balance. Thus the EPP invites EU Member States to implement the following:



- 1) Increase efforts to guarantee a stable macroeconomic and monetary policy through the independent workings of the European Central Bank which combats inflation (also in the form of asset price inflation or ‘bubbles’) and controls the money supply. Especially after the recovery from the current economic crisis, the need has increased to apply sound fiscal policies which can keep public debt under control and reduce it. This is not only a precondition for economic growth, but also an important element of social policy in favour of those who depend on their own savings and not on state transfers to make ends meet, and a sign of respect for upcoming generations. To quote Erhard, ‘low taxes and a stable money supply are the best social policies’. Anti-inflation policies and sound budgetary rules have the long-term effect of promoting growth and increasing the employment prospects of our young people. By doing so, the state would fulfil its role as ‘good caretaker of future generations’. Also, anti-inflation policies are the best way to safeguard the value of pensioners’ and savers’ money. Finally, as the financial crisis has demonstrated, the increase in public and private indebtedness must be mastered.
- 2) Repair the global financial system by establishing more and better European and global financial regulatory and supervisory cooperation, in order to restore credit confidence and lending to our SMEs and to our real economy as a whole, thus creating jobs by improving the conditions for growth. Support the SME sector by actively implementing the objectives of the Small Business Act and acknowledge the role of SMEs as job generators in the EU. Due to their size and structure, SMEs are potentially more flexible and dynamic than macroenterprises, but they are also more vulnerable, often finding it difficult to access capital and funding sources. In this sense, all necessary steps must be taken to make SMEs’ lives easier (the reduction of administrative and regulatory burdens for SMEs, creation of adequate legislation for the protection of SMEs’ interests, improvement of access to finance, etc.).
- 3) Foster initiatives that lead to the liberalisation of international trade, the achievement of the Doha Round and the defence of international free trade movements and agreements in opposition to restrictive protectionist policies which would undermine global, European and national growth. At the same time, we must decide to efficiently protect environmental and social standards which are challenged by some states outside the European Union.
- 4) Enhance innovation, strengthen entrepreneurship, encourage young people to start their own businesses and encourage corporate social responsibility. It is primarily through measures such as these that the way out of the crisis will be found.
- 5) Promote sound ethical behaviour at the highest level of economic management, based on a sense of individual responsibility and the capacity to look beyond immediate self-interest.
- 6) Open up Europe’s silent and still partially untapped talent pool. This is of utmost importance in today’s globalised world. Greater investment in training and education is needed to ensure coordinated and coherent actions towards a resilient, sustainable and greener economy. Lifelong learning and training opportunities should be encouraged and should accompany individuals throughout their professional life in order to achieve a highly skilled and adaptable workforce. In a global context, it is often repeated that the decisive factors in increased earned income are economic growth and better education and training. In fact, Europe will maintain its high standard of living only if our societies invest in the talents and skills of our citizens. Professional requalification programs should be available for citizens in order for them to integrate into reshaped economic sectors. In particular the improvement of the European higher education systems and better links between education and labour markets will be crucial for the future of our societies. The recent financial and economic crisis demonstrates the importance of education in economic matters.
- 7) Make the labour market more flexible (both for employers and employees) to create more jobs and more opportunities for everyone; too often labour markets in Europe are seen as sociopolitical entities which need to be regulated from the top down through judicial and

other types of state intervention, without taking into account that the sum of such decisions can considerably weaken the financial strength and adaptability of the companies involved. This, as a consequence, can further undermine the companies' chances of asserting themselves in the context of international competition. As a result new jobs are put at risk. This is particularly harmful for the employability of young people. Continuing the efforts to cut red tape would encourage SMEs. Therefore Member States should rather foster strategies to increase the adaptability of workers and enterprises to help them to respond to changing economic conditions and needs. It is necessary to adapt the labour market to the needs of young people and those who have reached the age of 55. These groups are still faced with high structural unemployment. Moreover Member States should invest in solutions that enable a better combination of family life and professional career.

- 8) Promote employment opportunities by increasing labour mobility within the European Union and with active policies for people with disabilities and other disadvantaged social groups. In order to do this, legal obstacles must be removed and support measures must be implemented. Furthermore, effective measures must be taken for a better reconciliation of working, personal and family life whilst simultaneously respecting national competences in, for example, social security and every Member State's right to keep its own labour market model.
- 9) Enhance and modernise the societal security systems by promoting more active practices and forms of social security that facilitate the entrance into the labour market for unemployed people. By doing this, their rapid return and involvement in the economic and societal process, according to their personal abilities and needs, is made easier. We also need to clarify the concepts of social justice such as the transferring of funds from one side to the other, or interventions into pricing. Instead, social expenditures, which are important for solidarity within societies, should conform to the market and be aimed at equality of opportunity for individual development. In that sense, social expenditures should focus on investments in education, health, universal access to opportunities and personal incentives.
- 10) Safeguard solidarity across generations in each Member State by guaranteeing the sustainability of pension schemes for current and upcoming retirees, and thus meet the demographic challenge; promote investments in private pension schemes as an additional source of financing; support private insurance systems which can freely compete among each other at both national and European levels, and which should be monitored by the state and encourage Europeans to work longer.
- 11) Increase awareness of and protection against the consequences of environmental damage and climate change by integrating agreed environmental and sustainable development goals into the definitions of our economic policies. In accordance with Erhard's principle of the 'preservation of creation', and as a clear responsibility towards our future generations, we must put more effort into promoting sustainable consumption and production, reducing environmental pollution, reducing the dependency on fossil fuels within the EU and curbing CO<sub>2</sub> emissions according to the decisions taken by the European Council, while at the same time respecting the needs of our current economic structures. Therefore, our goal is to be the most CO<sub>2</sub> efficient economy in the world. It is imperative to foster innovation in Europe and help SMEs focus more on turning good ideas into reality. Emphasis has to be laid on security of energy supply, energy efficiency, and R&D and innovation, in order to develop new and competitive technologies precisely in the interests of environmental protection, especially as new business and job opportunities arise in the fields of 'green technology' and 'green energy'. Only by 'boosting sustainable growth' will we be able to keep our societies and economies viable for the future. Against this background, the priority of the state should be to invest in R&D in order to bring new ideas and technologies to light. The Common Agricultural Policy should provide the strengthening of European self-sufficiency in food.

- 12) Strengthen the role of the state as a promoter of full and healthy competition in every dimension of the market economy, responding to the public demand for economic dynamism and social inclusion.
- 13) Support the SME sector by diversifying the financial services and small business development centres.

In conclusion, we strongly believe that such a renewed Social Market Economy as an open system can become the trademark of our economic and social success in Europe and worldwide. Today we must find ways to make our economic structures more efficient and our financial systems more sound and robust within an adequate regulatory and supervisory framework. We must revisit our existing economic and social structures by fostering processes of innovation, by embedding our European economies in a wider international context and by making them more open to social mobility, economic dynamism and inclusion through more innovation and entrepreneurship. Investments in education are the best social policies to enable more people to take care of themselves and their families, thus fully taking advantage of the opportunities offered to them by the Social Market Economy. Only by applying these policies will we be able to maintain our lead on the global path towards growth and prosperity for all citizens.