

## EU policy

The most important task of the European Union is to safeguard peace, security, prosperity and the rule of law on our continent. Strengthening Europe's relatively weakened position requires from the Union strong functional capacity, unity and the trust of citizens. The Community method is the way of guaranteeing the stable and equitable functioning of the Union as well as ensuring democracy in EU decision-making. The Union must respect the principles of subsidiarity and proportionality, i.e. decisions should be made as close as possible to citizens. The European Commission must act transparently and consult with citizens.

EU membership is a political choice that connects Finland to the Western community of values. The Union must be reformed and its functioning improved, but the Government does not consider the amendment of Treaties to be an issue at this time. Finland respects common rules and expects other Member States to do the same. Finland is an active, pragmatic and result-oriented Member State. The Government will seek, in a constructively critical and cooperative way, to combine the national and joint European interest in Finland's EU policy.

### Growth

The priority of Finland's EU policy is the promotion of economic growth and jobs. Structural reforms aimed at improving competitiveness as well as research, development and innovation are essential in this. Free movement of persons, goods, services and capital is a cornerstone of the Union. The Government will pursue the deepening of the internal market, particularly with respect to services, capital markets and energy as well as digital services and goods. Finland will utilise the opportunities presented by the European Investment Plan. Promoting free trade improves Finnish export industry's access to market. Reaching agreement on the Trade and Investment Partnership between the EU and the USA is an important goal. In free trade agreements, the rule of law and food security must be secured as well as the right of Member States to non-discriminatory regulation to improve, among other things, environmental protection and consumer protection.

The European Union must focus on the most essential issues; it is not necessary to deepen integration in all policy areas. The Government will assess all EU regulation from the perspective of economic growth, competitiveness and jobs, and will also require a corresponding approach by EU institutions. Finland seeks less, but better and lighter, regulation than at present. Flexibilities for small and medium-sized enterprises should be fully utilised. The Government will not increase burdens detrimental to competitiveness in national implementation of EU acts, and will strengthen Finland's ability to assess the economic significance and legal aspects of EU regulation.

The Union must create conditions for developing Europe into a pioneer of clean technology and the bio- and circular economy. Regulation must promote the circulation and sustainable use of raw materials, and different sectors should not issue mutually conflicting regulations. The Government will ensure that opportunities for the versatile use of biomass resources in a sustainable manner are safeguarded in EU legislation. Use of advanced renewable transport fuels will be promoted.

The Government is committed to the market-oriented and cost-effective implementation of the 2030 Climate and Energy Package as well as to negotiations on an international climate agreement. The international competitiveness of industry and preventing carbon leakage are key starting points for climate policy. An objective of the development of the Energy Union must be safeguarding the supply of affordable and sustainable energy to industry and consumers.

The focus of the EU financial framework must gradually shift to stronger support for economic growth, employment and skills. Conditions must be safeguarded for agriculture to be practised in a profitable way in all of the Union's Member States, and the Government will pay special attention to securing the future of Finnish food production. Finland's remote location and sparse population density must be taken into account in cohesion policy. The Union should not be granted the right to level taxes directly. In the next financial framework negotiations, tight budget

discipline must be adhered to, as has been the case in the Member States. It must be ensured that Finland's net contribution is reasonable and fair, and that it takes into account Finland's economic situation.

### Stability

Finland is committed as a member of Economic and Monetary Union to promote the stability of the euro area. Finland's objective is a rule-based and effective euro area in which each Member State itself has primary responsibility for its own economic policies. Similarly, each Member State is itself responsible for its debts. The Government aims to restore the credibility of the no bail-out rule. EMU should not be developed through such deepening of economic coordination which would lead to an expansion of joint responsibility. The Government supports a strong banking union based on investor liability, and its development. To strengthen compliance with rules, economic policy coordination should be simplified, and Member States' ownership of economic policy must be ensured.

The Government is opposed to increasing Finland's liabilities in handling the euro crisis. The primary means to handle the financial problems of a euro country are the country's national measures to consolidate the economy and stabilise public finances. If these means are not enough, the secondary means is the implementation of investor liability. Bilateral credits do not belong in the Government's range of tools for handling the euro crisis. If the European Stability Mechanism must still be used, it should be done only within the framework of the mechanism's current capacity and capital structure. The Government will make decisions relating to euro area consolidation measures from the perspective of Finland's national interest.

### Security

The European Union must pursue its interests effectively, and defend democracy, international law and human rights in its neighbourhood and worldwide. The Union must bear its global responsibilities. The unity of the EU in its foreign policy is central to its international influence.

The EU is an important security community for Finland. Finland supports the strengthening of the EU's Common Security and Defence Policy and the reform of the Union's Security Strategy. There must be common means to combat terrorism, international crime and hybrid threats. Finland seeks to strengthen cooperation in capability development as well as to strengthen European defence industry and markets. The Government will promote the establishment of comprehensive and binding EU-wide Security of Supply arrangements.

In the EU's enlargement policy strict compliance with the criteria must be required. Developing EU's Neighbourhood Policy and the Eastern Partnership in particular is important for the stability of Europe. The Union must act decisively to manage illegal migration flows in the Mediterranean area. Relocation of asylum seekers within the EU should be based on the voluntary participation of Member States. Development of Arctic cooperation should be elevated to a key priority of the EU's external relations, and EU input is required in promoting Northern projects. Within the EU and among countries of the Baltic Sea region, close cooperation must be continued to save the Baltic Sea and strengthen the economic development of the region.