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**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE
REGIONS**

Dealing with the impact of an ageing population in the EU (2009 Ageing Report)

Eliminado: in times of
economic crisis

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1. INTRODUCTION

Successive European Councils have recognised the need to tackle the impact of ageing populations on the European social models. The policy challenge is broad, covering the ongoing debate on modernisation of welfare systems and extending working lives as a follow-up to the Hampton Court Summit of October 2005, the renewed Lisbon strategy, the renewed EU Sustainable Development Strategy and the "Integrated climate and energy policy", the Open Method of Coordination on pensions, health care and long-term care, and ensuring progress towards sustainable public finances in the context of the Stability and Growth Pact.

It is within this framework that the ECOFIN Council instructed the Economic Policy Committee and invited the Commission to update the long-term budgetary projections by the end of 2009. The joint projections provide key input to the analysis of the impact of population ageing and are an integral part of the EU's multilateral budgetary surveillance.

This Communication presents the latest long-term economic and budgetary projections and updates the Commission's analysis of Europe's ability to tackle the challenge of ageing in view of new data and the recent economic developments. As the first baby-boom cohorts reaching their sixties, the effects of ageing are now starting to be felt¹.

The increase in life expectancy is good news for Europe's citizens, the vast majority of whom are able to lead active, healthy and participative lives well into old age for the first time in history. At the same time, ageing societies demand new or adapted goods and services, bringing opportunities to innovative firms. However, ageing populations will also pose major economic, budgetary and social challenges. Europe has started to prepare for these challenges, and encouraging progress has been made by some Member States, notably through reforms of pension systems and a better balance between professional and family life.

However, without further institutional and policy changes, demographic trends are expected to have a significant impact on potential growth and lead to strong pressures to increase public spending.

These challenges are being made more acute as a result of the economic crisis. Recent analysis confirms that there is a window of opportunity – a period of about ten years during which employment growth is possible – for implementing the reforms needed by ageing societies³. Taking no action would weaken the EU's ability to meet the future needs of an ageing population.

In the current situation, the deployment of a targeted and well-coordinated policy response to the crisis, as outlined by the European Economic Recovery Plan⁴ (EERP) adopted by the Commission on 26 November 2008, must therefore be seized as an opportunity for concerted efforts to overcome the recession by means of reforms to restore confidence in the longer-term outlook for public finances and growth, by strengthening investment in a more

¹ See the '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008-2060)', European Economy, forthcoming and 'Demography Report 2008: Meeting Social Needs in an Ageing Society (SEC (2008) 2911).

³ COM (2006) 571 final.

⁴ COM (2008) 800 final.

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sustainable economy and society and by putting age-related spending on a sustainable path⁵. Investments to boost training and human capital will help address the impact of the crisis in the short run and contribute to preparing for an ageing society.

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2. THE LONG-TERM CHALLENGES OF DEMOGRAPHIC AGEING

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The economic impact of ageing

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The latest projections confirm that low birth rates, rising life expectancy and continuing inflow of migrants can be expected to result in an almost unchanged, but much older, total EU population by 2060⁶, meaning that the EU would move from having four working-age people (aged 15-64) for every person aged over 65 to a ratio of only two to one. The largest increase is expected to occur during the period 2015-35 when the baby-boom cohorts will be going into retirement.

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For the EU as a whole, the labour market participation rate is expected to increase from 70½% in 2007 to 74% in 2060, most of which will materialise before 2020. The gap between male and female participation rates is expected to narrow gradually, especially in countries where it is currently large. Overall, employment rates are expected to increase from 65½% in 2007 to about 70% in 2060. The employment rate of older workers is expected to grow as a result of reforms aimed at prolonging working life in many Member States. Overall, however, employment in the EU is projected to shrink by about 19 million people by the year 2060. Increasing labour force participation rates in most countries and rising net immigration levels in some will only moderate the fall in employment due to the shrinking population of working age over the period from 2020 to 2060.

With decreasing labour supply, productivity will have to be the source of future economic growth. A prudent assumption is that Member States' labour productivity growth would converge to a long-term historical average in the EU of 1¾%, close to that recorded in the US over the very long term. As a result, the annual potential GDP growth rate would decline significantly. A shrinking working-age population will act as a drag on growth and on per capita income. Owing to the differences in demographic trends, growth rates would differ substantially from country to country.

These projections are based on the assumption that the duration of the current crisis is relatively short. Should the recovery from the crisis be delayed well into 2012, with the surge in unemployment lasting for a protracted period of time, this would entail a loss in GDP per capita in the EU as a whole estimated at around 8% by 2020.⁷ At this juncture, characterized by very subdued economic activity and high uncertainty as to the prospects, Europe's ability to rapidly emerge from the downturn and restore sound public finances will depend crucially on targeted and well co-ordinated policy responses, as stressed by the European Economic Recovery Plan.

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⁵ See the '2006 Sustainability Report', European Economy, No 4, 2006.

⁶ See the '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008-2060)', European Economy, forthcoming and 'Demography Report 2008: Meeting Social Needs in an Ageing Society (SEC (2008) 2911).

⁷ See the '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008-2060)', European Economy, forthcoming.

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The budgetary impact of ageing As a consequence of ageing populations, the need for public provision of age-related transfers and services will increase. The fiscal impact of ageing is therefore projected to be substantial in almost all Member States, becoming apparent already over the course of the next decade. Overall, on the basis of current policies, age-related public expenditure is projected to increase on average by about 4¾ percentage points of GDP by 2060 in the EU and by more than 5 percentage points in the euro area – especially through pension, healthcare and long-term care spending.

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There are notable differences across Member States:

- The increase in public spending is likely to be very significant (7 percentage points of GDP or more) in nine EU Member States (Luxembourg, Greece, Slovenia, Cyprus, Malta, Romania, Spain, Ireland, Belgium) and, although for some countries the large increase will be from a fairly low level. In some of these countries, there is an urgent need for reforms of pensions and health care systems to curb the long-term spending trend, whereas others may have to ensure that they can raise sufficient revenues to match the rise in spending.
- For a second group of countries – Netherlands, Finland, Czech Republic, Lithuania, Slovakia, the United Kingdom, Germany and Hungary – the cost of ageing is more limited, but still very high (from 4 to 7 percentage points of GDP). Several of these countries have set about reforming social systems to help limit the increase in public expenditure, but additional reforms are needed.
- Finally, the increase is more moderate, 4 percentage points of GDP or less, in Bulgaria, Sweden, Portugal, Austria, France, Denmark, Italy, Latvia, Estonia and Poland. Most of these countries have implemented substantial pension reforms, in several cases also involving a partial switch to private pension schemes (Bulgaria, Estonia, Latvia, Poland, and Sweden).

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Demographic trends would push up public pension expenditure very significantly in all Member States. However, major reforms are mitigating the consequences of ageing.

Pension reforms enacted in a number of Member States are bringing positive results in terms of the sustainability of public finances. Almost all Member States have tightened the eligibility requirements for receiving a public pension, notably by raising the retirement age and restricting access to early retirement schemes. Typically phased in over a long period, such reforms would lead to higher participation rates of older workers, which may also result from a stronger link between pension benefits and pension contributions and thus a greater incentive to remain in the labour market. While the employment rates of older workers have been rising in recent years, there is still a lot of room for further progress. Only around 50% of people in the EU are still in employment by the age of 60.

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Reforms are also leading to a gradually smaller share of public pension benefits in overall pension provision. This will happen through many mechanisms, including changes in the indexation of benefits which, in some countries, cause benefits to rise more slowly than wages. Recent analysis suggests that future relative pensioners' income will decline substantially in a number of Member States⁸. The assessment of sustainability of public finances must take into account the risk of inadequate pensions resulting in unforeseen pressure for ad hoc increases of pensions or higher demand for other benefits, highlighting the

⁸ COM (2009) 58 final.

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need to tackle jointly the issues of pension adequacy and sustainability⁹. There are examples of Member States where future adequacy of pensions has recently been improved without endangering financial sustainability (e.g. in Estonia).

Alongside reforming public pensions systems, many countries have introduced, and are planning to expand, *supplementary pension schemes*. Some have even shifted part of the contribution from public schemes to mandatory funded and privately managed schemes (Bulgaria, Estonia, Latvia, Hungary, Poland, Slovakia and Sweden). At present, these funded schemes are in the build-up phase, but their share in the overall pension package will be significant in the coming decades. Several countries (e.g. Sweden, Denmark, the Netherlands, the UK, Ireland) are already relying to a large extent on private occupational pensions, of which some are planning to boost their role further.

The current crisis has, however, exposed the vulnerabilities of funded schemes that invest in equity assets. Therefore, a careful monitoring and a review of the relative role, design and performance of the three pillars, and in particular of funded schemes, in order to assess their ability to cope with investment risk and longer pay-out phases, is warranted.

Healthcare systems in the EU are expected to face substantial challenges in the future. Public expenditure on health care is projected to grow by 1½ percentage points of GDP in the EU by 2060. Healthier living can contribute to limiting future spending. Healthcare spending is also strongly related to income growth and technological progress. Newly developed methods for early diagnosis and treatments strongly contribute to growth in spending, but some of the medical progress may well be cost-saving in the long term. Investment in prevention and health technologies offers instruments for the population to stay healthy and productive for longer. Developing treatments for less known pathologies also provides employment and growth opportunities. The effective management of technology is therefore a major determinant of future spending.

There is considerable scope for making healthcare systems more efficient. Better value for money in health care and reduced health inequalities can be achieved by strengthening primary care, prevention and health promotion and through better coordination and rational use of resources. However, in some countries, the health sector remains under-resourced¹⁰.

An ageing population will also require increased public spending on **long-term care**. Based on current policies, public spending on long-term care is projected to increase by 1¼% of GDP by 2060 due to the fact that the very old (aged 80+) will be the fastest growing age class of the population in the future. Again, demographic factors will not be the only drivers. Currently, care for the frail elderly is provided, to a very large extent, on an informal basis by relatives. Societal trends, such as changes in family structures, the growing labour force participation of women and increased geographical mobility, could reduce the availability of informal care. For countries whose formal care systems are less developed, the projected increase in public spending on long-term care could underestimate future pressure on public finances, due to the likely need for increased formal care provision.

In order to limit the expected increase in public expenditure, policy measures which can either reduce disability, limit the need for formal care amongst elderly citizens with disabilities, favour formal care provision at home rather than in institutions or, more generally, improve

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⁹ COM (2006) 574 final.
¹⁰ COM (2009) 58 final.

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the cost-effectiveness of long-term care provision, e.g. through introduction of eHealth and telecare, must be developed.

In terms of public education spending, despite the decreasing number of children over the coming decades, current objectives on education policy and targets in the EU, as well as a substantial improvement in the quality of education, may well require higher and more effective educational spending in the future. Investing in the human capital of young people and adult workforce will be crucial to future productivity growth.

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3. PREPARING FOR AGEING IN TIMES OF ECONOMIC RECESSION

The current financial and economic crisis has led to an unusually sharp and rapid decline in economic activity and to a global recession. Clearly, the first priority must be to put in place all necessary policies by implementing the EERP so as to ensure that the financial crisis and recession will not put the EU permanently on a lower growth path in terms of employment and labour productivity which would also affect its capacity to cope with the consequences of population ageing.

The three-pronged strategy to cope with the economic and budgetary challenge posed by ageing populations decided by the Stockholm European Council in 2001, i.e.: (i) reducing debt at a fast pace; (ii) raising employment rates and productivity; and (iii) reforming pension, healthcare and long-term care systems and the five policy goals identified in October 2006 in the Commission's communication on the demographic future of Europe remain a valid long-term policy strategy.¹¹

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These goals were to:

- promote demographic renewal in Europe by creating better conditions for families;
- promote employment in Europe with more jobs and longer working lives of better quality;
- make Europe more productive and dynamic;
- receive and integrate migrants in Europe;
- secure sustainable public finances in Europe, thus guaranteeing adequate social security and equity between the generations.

The longer-term needs of the EU must not be neglected and the structural reform agenda aimed at tackling the demographic challenge needs to be strengthened. This means raising employment rates in line with the Lisbon objectives and, in particular, helping and encouraging the ageing baby-boomers to stay on the labour market rather than retire early, as previous generations have tended to do. Europe's best chance of ensuring that ageing will not be perceived as a threat, but as a historic achievement, lies in not wasting the potential of these baby-boom generations.

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By pursuing vigorously the reform agenda, by investing massively in the quality of human resources and by removing barriers to the full use of its labour force, the EU can emerge

¹¹ COM (2006) 571 final.

stronger from the current economic crisis. This should therefore be seen as a time for social innovation inspired by the successful experiences and reform processes already in evidence across the Member States.

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3.1. Better conditions for families and demographic renewal

In countries where it is difficult to reconcile work and private life, employment rates of women tend to be low, as mothers often drop out of the labour market, and birth rates are low because many people feel that they cannot afford to have children. Policies to promote reconciliation and gender equality, entailing in particular better conditions for parental leave and incentives for fathers to take such leave, and increased provision of high-quality childcare, should remain a priority. Such policies produce long-term benefits by ensuring that women in particular can remain attached to the labour market.

However, most Member States still fall short of the targets to ensure access to formal childcare set by the European Council in Barcelona and fail to realise the benefits of early childhood education for the future development of children and for enhancing the opportunities of those from disadvantaged backgrounds. Investing in high-quality childcare and the employability of parents who take career breaks represent investments with huge potential returns.

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3.2. More jobs and longer working lives

The challenge of ageing for public finances arises from the need to support an increasing number of older people with a shrinking population in employment. There is much room for improvement. Just under two thirds (65.4% in 2007) of the working-age population are actually in employment, several percentage points below the target (70%) set within the Lisbon Strategy for the year 2010. There has been considerable progress especially among older workers and women. However, the current recession could particularly hit young people and older workers. The policy priority must be to ensure that young people who fail to enter the labour market will not embark on a life of permanent benefit dependency and that dismissed older workers will be able to return to employment once the labour market situation improves.

The baby-boom generation (now in their 50s and early 60s) represents a major share of Europe's labour force. Encouraging them to remain active requires removal of employment obstacles, such as mandatory retirement ages, and introduction of flexible retirement mechanisms allowing them to choose when to retire and to earn additional pension entitlements. Part-time employment opportunities can be a good way of achieving adequate incomes for older people and increasing the labour supply. Moreover, reforms of unemployment insurance, disability and early retirement schemes should encourage older workers to remain in the labour force.

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However, the reform strategies must go beyond incentives embedded in pension, tax and benefit systems¹². They must include changing attitudes to older workers, and developing their skills and employability through effective lifelong learning. Suitable working conditions are needed, including more flexible working-time and work-organisation, together with

Eliminado: , maintaining and promoting health and working capacity as workers age, so that they are less inclined to withdraw from the labour force,

¹² See COM(2007) 733 final and 'Employment in Europe 2007'.

employment opportunities for an ageing workforce. Such measures should help raise both the employment rate and the quality of life of older people.

A healthier elderly population. A population in better health will be able to work longer as it grows older, resulting in higher productivity and labour participation, and will need less healthcare, ultimately resulting in decreased pressure on public finances. Increasing the healthy life expectancy will be a crucial factor in achieving the Lisbon strategy objective of attracting more people into employment and retaining them on the labour market. At the same time, ageing societies represent an opportunity for rapid job creation in health and social services. The current and future shortages of general practitioners and nurses in many countries need to be addressed through activation and training measures.

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3.3. A more productive and dynamic Europe

Within a decade from now, labour productivity, which depends largely on high levels of educational attainment, will become the main determinant of future economic growth. However, 13% of women and 17% of men aged 18-24 attain only a lower secondary education qualification or less and are defined as early school-leavers. This represents a modest improvement compared to the beginning of this decade, but remains far off the target set for 2010, namely to bring this proportion down to 10% at most. A high level of educational attainment is associated with higher labour force participation and is a precondition for lifelong learning and hence the ability of older workers to remain on the labour market. Future productivity growth also depends on technological progress, which in turn depends both on universities producing graduates capable of engaging in research and on investing in research and development. It also depends on a swift adoption of new technologies by firms and policies to improve Europe's R&D and innovation systems.

Ageing societies offer opportunities for developing new products and services. Research and development needs to be geared towards developing more cost-effective medical treatment and prevention strategies. It should be combined with stronger incentives for a rational use of resources that can significantly reduce spending. New technologies can also be developed to allow frail older people to stay autonomous and live longer in their own homes. Investment in education, research and development will yield potentially large returns in the future and should not be reduced during the crisis. Investment in modernising transport infrastructure, which can help sustain demand during the crisis, will also be required to facilitate access for all, while strengthening passenger rights with reduced mobility.

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3.4. Receiving and integrating migrants

Immigration from third countries has boosted growth in several Member States. Even though the crisis will shrink labour opportunities and attenuate labour and skills shortages in a short-term, a well organised legal immigration policy will have a role to play in filling labour shortages in a longer-term perspective. However, integration remains a major challenge. Migrants and their descendants have often lower levels of educational attainment or face difficulties in making full use of their skills. They are thus more likely to be unemployed and more exposed to the risk of poverty. As a result of the crisis, European labour markets are being placed under strain. However, worsening social conditions in their countries of origin could result in the continued inflow of migrants into the EU, who may face more difficulties

in finding a job. In this context, integration of migrants and their descendants could become an even greater challenge.

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3.5 Sustainable public finances

Eliminado: Failure to invest in integration during the recession could result in a considerable burden on public budgets in the longer run.

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Over recent years, Member States have been able to make good progress towards balanced budgets and have been able to reduce the total amount of debt. However, the economic crisis is leading to a rapid deterioration of public deficits and increased debt as governments have to intervene to stabilise the financial system and to recover from the recession. The short-term outlook for public finances has therefore worsened and progress achieved in fiscal consolidation in recent years has been set back. The long-term prospects depend on Europe's determination to a swift return to sound public finances once out of the crisis and to pursue the reforms necessitated by demographic change which will now be all the more important to build confidence as part of the exit strategy from the crisis.

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The recession must, therefore, not lead to an interruption of the reforms of pension, healthcare and long-term care systems or for reducing essential investment in education and research. In fact, decisions on reforms are now more urgent than ever. These measures are crucial to Europe's future economic strength.

4. THE CHALLENGES

Action is required across a number of policy areas. Coordination at European level can facilitate the exchange of best practices, develop synergies and reduce negative spillovers. Moreover, the public finance dimension is addressed through the rules-based framework of the Stability and Growth Pact.

The Commission, therefore, proposes to tackle the challenges of ageing, building on the policy frameworks put in place over the last few years, in particular the Lisbon strategy, which provides the overall framework for action:

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- In the fields of *pensions, health care and long-term care*, the Commission intends to continue, together with the Member States, its work on improving the efficiency and effectiveness of social spending, and to continue analysing the social, economic and budgetary consequences of an ageing population within the context of the Lisbon strategy and the EU's fiscal framework under the Stability and Growth Pact and the open method of coordination (OMC) on Social Protection and Social Inclusion.
- In the fields of *financial services and taxation*, the Commission will swiftly introduce the measures outlined in its Communication to the European Council¹³. Restoring the proper functioning of financial markets is key not only to ensure they effectively play their role in supporting growth and jobs, but also in protecting financial assets of today and tomorrow, including supplementary pensions schemes (2nd and 3rd pillar) and supplementary health insurance.

¹³ COM(2009) 114 final.

- In the fields of *education, training and R&D*, the Commission will continue to work on enhancing the assessment of future skill needs and skill matching at EU level and assessing the efficiency of higher education in the EU. It will promote the development of efficient and equitable education and training systems, with a view to boosting productivity in the context of the renewed Lisbon strategy.

5. CONCLUSION

Success in tackling Europe's demographic challenge continues to depend on a thriving, dynamic economy with rising productivity and efficiently functioning markets. Building on the comprehensive strategy which it presented in October 2006 and the EERP, the Commission proposes a way forward in the current difficult economic situation.

There is therefore a strong need to put in place all necessary policies to make sure that the EU will emerge from the financial and economic crisis with a solid growth potential and ability to make full use of its human resources. For this to happen, it will be essential to implement a comprehensive exit strategy built on structural reforms (notably by removing obstacles to labour force participation, especially of older workers, and making health and long-term care systems more efficient) alongside the necessary investment in education and research, in child care and in the integration of migrants. A strong emphasis on these policies at the present juncture will help Europe to both emerge more resiliently from the current recession and to address the challenges of an ageing society.

Arguing strongly for reform is not just an economic agenda. It is an agenda that will promote good health, good education and good quality of life for current and future generations. It is an agenda that will allow Europe to look to the future with confidence.

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Eliminado: The individual elements the Commission intends to bring forward are set out in the Annex to this Communication.¶

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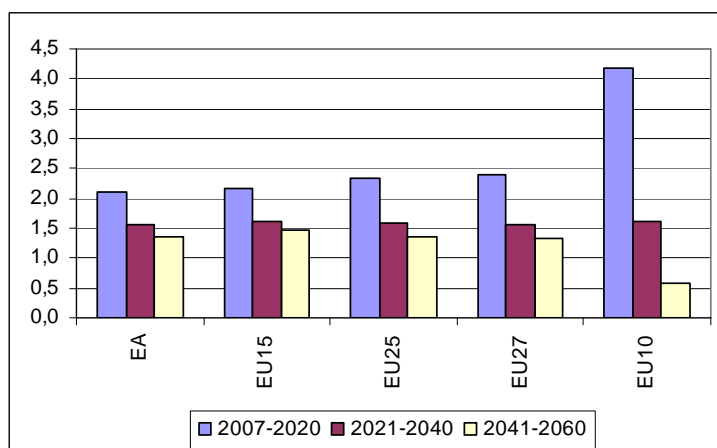
Statistical annex

Table 1: Long-term labour market developments

	Employment rate (15-64)				Employment rate (55-64)				Participation rate (15-64)				Participation rate (55-64)				Unemployment rate (15-64)			
	2007	2020	2060	p.p. change 07-60	2007	2020	2060	p.p. change 07-60	2007	2020	2060	p.p. change 07-60	2007	2020	2060	p.p. change 07-60	2007	2020	2060	p.p. change 07-60
EU27	65.5	69.0	69.9	4.4	44.9	54.5	60.0	15.1	70.6	73.2	74.1	3.5	47.5	56.9	62.5	15.1	7.2	5.7	5.7	-1.5
EA	65.5	69.5	70.1	4.6	42.6	54.8	60.3	17.7	70.8	73.8	74.4	3.6	45.3	57.5	63.0	17.7	7.6	5.9	5.8	-1.7

Source: '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008–2060)', European Economy, (forthcoming).

Graph 1: Projected potential growth rates (annual average growth rates), EU aggregates



Source: '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008-2060)', European Economy, (forthcoming).

Eliminado: **ANNEX ¶**
Recent and future initiatives by the Commission¶
 <#>Orientation for reformulation of the Lisbon strategy post-2010 is scheduled for late 2009 in connection with the Annual progress report.¶
Pensions, health care and long-term care¶
 <#>A Communication is scheduled for 2009 on the 'Long-term Sustainability of Public Finances in the EU'.¶
 <#>A Communication is scheduled for 2009 on 'Solidarity in Health: Reducing Health Inequalities in the EU'.¶
 <#>A Communication is scheduled for 2010 on adequacy and sustainability of pensions in the context of the social OMC.¶
 <#>A Communication on how to further develop universal, affordable and high-quality long-term care is scheduled for 2010.¶
 <#>A Communication on healthcare efficiency and effectiveness is scheduled for 2010, focusing on best practices in delivering high-quality and affordable health care.¶
 <#>A new disability strategy is scheduled for 2010, following on from the current Disability Action Plan.¶
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Eliminado: <#>in light of the financial crisis with a view to strengthening investor protection as regards retail investment products (April 2009); reinforcing bank depositor, investor and insurance policyholder protection (autumn 2009); fostering responsible lending and borrowing (autumn 2009); ensuring ac... [2]

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Eliminado: <#>development and innovation¶
 <#>A Co-Decision by the Council and the European Parliament in 2008 established a Joint R&D programme on new technologies for Ageing Well.¶

Eliminado: <#>A Communication to shape a renewed strategy for R&D and innovation post-2010 is envisaged by the end of 2009.¶

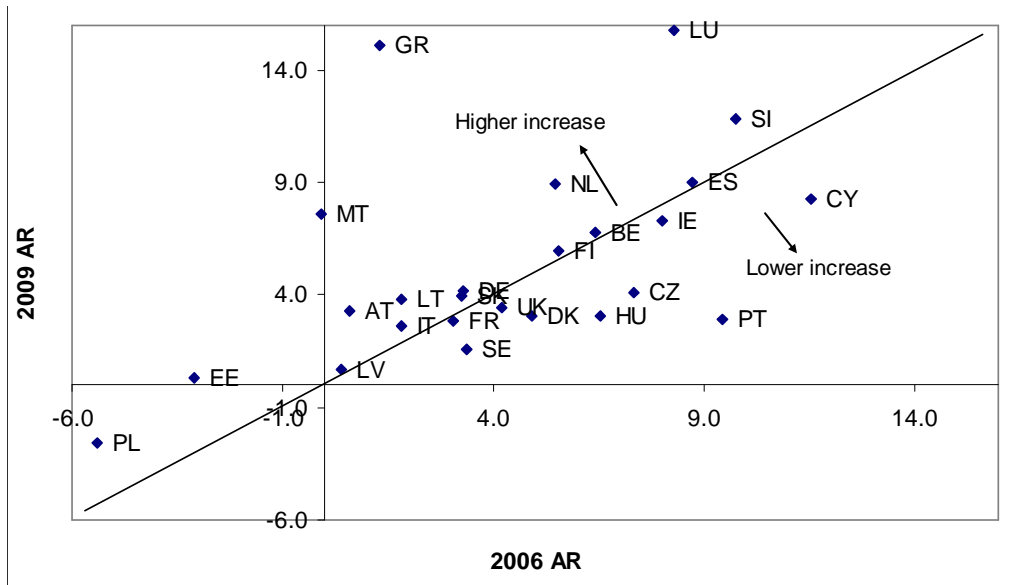
Eliminado: <#>A proposal for a Council Recommendation on Neurodegenerative Diseases (including Alzheimer) is scheduled.¶
 <#>Ageing is a cross-cutting issue in the Health Theme of the specific Programme Co-operation of the 7th Research Framework Programme.¶
 <#>A Communication was ... [3]

Table 2 - Age-related government expenditure, 2007-2060, percentage point change of GDP

	Pensions		Health care		Long-term care		Unemployment benefits		Education		Total		
	Level	Change	Level	Change	Level	Change	Level	Change	Level	Change	Level	Change	
	2007	2060	2007	2060	2007	2060	2007	2060	2007	2060	2007	2060	
	2007	2060	2007	2060	2007	2060	2007	2060	2007	2060	2007	2060	
BE	10.0	4.8	7.6	1.2	1.5	1.4	1.9	-0.4	5.5	0.0	26.5	6.9	BE
BG	8.3	3.0	4.7	0.7	0.2	0.2	0.1	0.0	3.3	-0.2	16.6	3.7	BG
CZ	7.8	3.3	6.2	2.2	0.2	0.4	0.1	0.0	3.5	-0.3	17.9	5.5	CZ
DK	9.1	0.1	5.9	1.0	1.7	1.5	1.0	-0.2	7.1	0.2	24.8	2.6	DK
DE	10.4	2.3	7.4	1.8	0.9	1.4	0.9	-0.3	3.9	-0.4	23.6	4.8	DE
EE	5.6	-0.7	4.9	1.2	0.1	0.1	0.1	0.0	3.7	-0.2	14.3	0.4	EE
IE	5.2	6.1	5.8	1.8	0.8	1.3	0.8	0.1	4.5	-0.3	17.2	8.9	IE
GR	11.7	12.4	5.0	1.4	1.4	2.2	0.3	-0.1	3.7	0.0	22.1	15.9	GR
ES	8.4	6.7	5.5	1.6	0.5	0.9	1.3	-0.4	3.5	0.1	19.3	9.0	ES
FR	13.0	1.0	8.1	1.2	1.4	0.8	1.2	-0.3	4.7	0.0	28.4	2.7	FR
IT	14.0	-0.4	5.9	1.1	1.7	1.3	0.4	0.0	4.1	-0.3	26.0	1.6	IT
CY	6.3	11.4	2.7	0.6	0.0	0.0	0.3	-0.1	6.1	-1.2	15.4	10.8	CY
LV	5.4	-0.4	3.5	0.6	0.4	0.5	0.2	0.0	3.7	-0.3	13.2	0.4	LV
LT	6.8	4.6	4.5	1.1	0.5	0.6	0.1	0.0	4.0	-0.9	15.8	5.4	LT
LU	8.7	15.2	5.8	1.2	1.4	2.0	0.4	0.0	3.8	-0.5	20.0	18.0	LU
HU	10.9	3.0	5.8	1.3	0.3	0.4	0.3	-0.1	4.4	-0.4	21.6	4.1	HU
MT	7.2	6.2	4.7	3.3	1.0	1.6	0.4	0.0	5.0	-1.0	18.2	10.2	MT
NL	6.6	4.0	4.8	1.0	3.4	4.7	1.1	-0.1	4.6	-0.2	20.5	9.4	NL
AT	12.8	0.9	6.5	1.5	1.3	1.2	0.7	0.0	4.8	-0.5	26.0	3.1	AT
PL	11.6	-2.8	4.0	1.0	0.4	0.7	0.1	-0.1	4.4	-1.2	20.5	-2.4	PL
PT	11.4	2.1	7.2	1.9	0.1	0.1	1.2	-0.4	4.6	-0.3	24.5	3.4	PT
RO	6.6	9.2	3.5	1.4	0.0	0.0	0.2	0.0	2.8	-0.5	13.1	10.1	RO
SI	9.9	8.8	6.6	1.9	1.1	1.8	0.2	0.0	5.1	0.4	22.9	12.8	SI
SK	6.8	3.4	5.0	2.3	0.2	0.4	0.1	-0.1	3.1	-0.8	15.2	5.2	SK
FI	10.0	3.3	5.5	1.0	1.8	2.6	1.2	-0.2	5.7	-0.3	24.2	6.3	FI
SE	9.5	-0.1	7.2	0.8	3.5	2.3	0.9	-0.1	6.0	-0.3	27.2	2.6	SE
UK	6.6	2.7	7.5	1.9	0.8	0.5	0.2	0.0	3.8	-0.1	18.9	5.1	UK
EA	11.1	2.8	6.7	1.4	1.3	1.4	1.0	-0.2	4.2	-0.2	24.3	5.2	EA
EU27	10.2	2.4	6.7	1.5	1.2	1.1	0.8	-0.2	4.3	-0.2	23.1	4.7	EU27
EU15	10.2	2.4	6.9	1.5	1.3	1.2	0.8	-0.2	4.3	-0.1	23.5	4.8	EU15
EU10	9.7	1.0	4.9	1.4	0.4	0.6	0.2	0.0	4.2	-0.8	19.2	2.1	EU10
EU25	10.2	2.3	6.8	1.5	1.2	1.2	0.8	-0.2	4.3	-0.2	23.3	4.7	EU25

Source: '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008-2060)', European Economy, (forthcoming).

Graph 2 - The Cost of Ageing in '09 and '06 compared, p.p. of GDP, 2007-50



Source: '2009 Ageing Report: economic and budgetary projections for the EU-27 Member States (2008-2060)', European Economy, (forthcoming)

ANNEX

Recent and future initiatives by the Commission

Orientation for reformulation of the Lisbon strategy post-2010 is scheduled for late 2009 in connection with the Annual progress report.

Pensions, health care and long-term care

A Communication is scheduled for 2009 on the 'Long-term Sustainability of Public Finances in the EU'.

A Communication is scheduled for 2009 on 'Solidarity in Health: Reducing Health Inequalities in the EU'.

A Communication is scheduled for 2010 on adequacy and sustainability of pensions in the context of the social OMC.

A Communication on how to further develop universal, affordable and high-quality long-term care is scheduled for 2010.

A Communication on healthcare efficiency and effectiveness is scheduled for 2010, focusing on best practices in delivering high-quality and affordable health care.

A new disability strategy is scheduled for 2010, following on from the current Disability Action Plan.

In the context of the i2010 initiative, two Communications have been adopted with a view to creating the right framework to support eHealth and new products and services for Ageing Well.

The 2008 Green Paper on the EU Workforce for Health launched a public consultation on the healthcare workforce and preparation for the care of an ageing population.

The 2009 Joint Report on Social Protection and Social Inclusion was adopted by the Commission and the Council in March 2009 and endorsed by the 2009 Spring European Council.

The Commission will examine in 2009 whether there is a case for further harmonisation of the solvency rules applicable to the Institutions for Occupational Retirement Provisions in order to offer more choice at a lower cost for future pensioners and employers.

A Communication on the future of the pharmaceutical sector was adopted in 2008.

Industrial policy

The ELECTRA report addresses the challenge of an ageing society through the "Building for an intelligent living and ambient assisted living". It aims at promoting and developing technologies, inter alia facilitating the lives of elderly people and limiting the costs of home care.

Financial services and taxation

Further measures to reinforce protection of bank depositors, investors and insurance policy holders are scheduled for 2009.

In the context of the single market and financial services, the Communication of 4 March 2009 foresees a series of initiatives

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in light of the financial crisis with a view to strengthening investor protection as regards retail investment products (April 2009); reinforcing bank depositor, investor and insurance policyholder protection (autumn 2009); fostering responsible lending and borrowing (autumn 2009); ensuring access to a basic bank account and fostering financial education and financial literacy.

In a Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions, the Commission encourages retirement savings.

Education and training

In the 2008 Communication on New Skills for New Jobs: Anticipating and matching labour market and skills needs, a strategy was set out for : (i) monitoring short-term trends in the European labour market and developing tools and services to promote job guidance and mobility; (ii) developing better information on skills needs in the EU in the medium and long-term; (iii) improving our understanding of global challenges related to skills and jobs (iv) mobilising existing Community policies and European funds.

The 2008 Communication on "An updated strategic framework for European cooperation in education and training" identifies four challenges to be met: (i) lifelong learning (ii) improve the quality and efficiency (iii) promote equity and active citizenship; (iv) enhance innovation and creativity.

A Communication on assessing the efficiency of tertiary education systems in the Member States and policy measures to boost productivity in view of the renewed Lisbon strategy is scheduled for 2010.

Research,

Página 11: [3] Eliminado

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A proposal for a Council Recommendation on Neurodegenerative Diseases (including Alzheimer) is scheduled.

Ageing is a cross-cutting issue in the Health Theme of the specific Programme Cooperation of the 7th Research Framework Programme.

A Communication was adopted in 2008 on better careers and more mobility: a European Partnership for Researchers.

A Communication to shape a renewed EU innovation strategy is envisaged by the end of 2009.

Transport

A Communication on the future of transport in a long-term perspective is envisaged for 2009.

A Roadmap towards a 2050 Energy Policy is scheduled for 2010.

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