

John Dalli

Member of the European Commission, responsible for Health and Consumer Policy

Commissioner Dalli delivers speech at a meeting with The American Association of Retired Persons (AARP)

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

John DALLI, European Commissioner for Health and Consumer Policy, attends a breakfast meeting of the AARP

Washington, USA, 27 June 2012

**BREAKFAST WITH THE AMERICAN ASSOCIATION OF RETIRED PERSONS
(AARP)**

WEDNESDAY 27 JUNE 2012, 8.45 -10.30HRS

WASHINGTON - USA

SPEECH

Ladies and Gentlemen,

It is a great pleasure for me to address your Association here today – to speak about the ageing society, and about how we can improve people's lives and turn this challenge into a positive opportunity.

At a time when the effects of the economic crisis are still being deeply felt – on both sides of the Atlantic – I strongly believe that now more than ever we need a renewed transatlantic partnership on ageing and common actions in support of our shared values and interests.

The crisis has not only called into question the strength of our economies but has also shaken our social models.

We have learned the painful lesson that debt fuelled growth is unsustainable.

To tackle the crisis, the European Union is undergoing a radical overhaul of its economic governance structures (especially in the Euro area) and of its financial sector.

The essential challenge is how to combine fiscal consolidation and convergence with stability and growth.

The European Commission has pursued this twin track approach since the adoption of its Europe 2020 strategy for smart, sustainable and inclusive growth.

The aim of this strategy is to ensure that Europe comes out of the crisis stronger than before, and better placed to face the challenges of a rapidly changing world.

But the outlook for the future is challenging to say the least –and one of our biggest challenges is how to adjust to an ageing society whilst achieving sustainability.

Let me start by focusing on health and social models and on the role of social security organisations in addressing demographic ageing.

I think it is universally recognised that health and social care accounts for ever higher pressure and demand on public finances.

In fact, in most European countries expenditure on health and care has steadily risen ever since governments took up responsibility for the universal provision of healthcare.

In case of health spending, this seemingly relentless increase stems from the fact that expenditure on health is driven by a complex set of interrelated demand and supply factors, such as health status of the population, growing incidence of chronic diseases, social determinants of health and the emergence of new technologies.

Clearly, ageing plays an important role. The shift in the demographic structure of the population is a main driver of growth in health and care expenditure.

According to a projection exercise carried out by the European Commission, as a result of ageing alone, age-related public spending will increase from today's 23% to 28% of GDP by the year 2060. This rise will mainly be due to the cost of pensions, healthcare and long-term care.

Growing demands for more advanced treatments and medicines for chronic illnesses mount increasing pressure on health and social care budgets.

In addition, a shrinking of the working age population combined with low labour market participation of older people leads to a relatively smaller workforce – including of course health and care professionals.

A greater proportion of elderly people within society naturally places a heavier reliance on younger people to care for them.

By 2060 the EU will move from having four working-age people for every person aged over 65 to just two people of working age.

So clearly, ageing has – and will continue to have – a significant impact. However, ageing should not be perceived solely as a burden.

We believe this demographic change offers positive opportunities that can give rise to sustainable and innovative solutions to the ageing challenge.

We should not just live more years, but we need to add better life to our years.

Of course good health and active ageing are important goals in their own right. A fundamental role of governments is to improve the lives of the people they serve.

And people ageing in good health leads to a solid productive workforce, the very cornerstone of competitive economies, and to lower demands for health and social care.

Looking at ageing as an opportunity, however, requires a change in mindset for many, calling first for a positive approach to ageing.

This is why healthy and active ageing is a key component of the Commission's Europe 2020 Strategy – which seeks to enable the European Union to emerge stronger and fitter from the current economic crisis.

And the importance we attach to this key component is further emphasised by the selection of 2012 as the European Year of Active Ageing and Solidarity between Generations.

Our strategy for healthy and active ageing seeks to:

- promote healthy behaviours and choices whilst preventing chronic diseases;
- support smart innovation for sustainable and efficient health and care systems; and
- advance age-friendly environments for active and independent living.

It is imperative that we raise our game on prevention and health promotion.

This, if successful, is the simplest and most direct route towards boosting healthy ageing and reducing the burden of chronic diseases.

European health and care systems are in urgent need of restructuring to match the future needs of ageing societies – for example, with a greater focus on chronic diseases; offering longer term healthcare services; and more palliative care.

But money is tight. Smart investment in health coupled with smart innovation – targeted at the older people – provide the keys to more efficient and sustainable healthcare systems for the future.

We need better innovative models to deliver high quality care to patients, while keeping down costs and maximising cost-efficiency.

And our efforts cannot stop at the boundaries of health or social care policy.

We need close co-operation across different areas spanning public health, employment, research, industry and others.

We need commitment and action from all partners at all levels, with strong engagement from users and beneficiaries.

To adapt to the changing environment, we should also consider new solutions and policies.

Working together in pursuit of healthy and active ageing through harnessing the innovation potential – lies at the centre of the European Innovation Partnership on Active and Health Ageing – a flagship initiative of our Europe 2020 strategy.

The over-arching ambition of the Partnership is to extend the average healthy lifespan of European citizens by 2 years over the next decade.

The Partnership offers a unique multi-stakeholder driven platform that builds consensus and develops critical mass for action in areas key to active and healthy ageing.

It seeks to turn ideas into tangible products by fostering active and healthy ageing through the development and deployment of innovative solutions.

Finally, ageing is a global challenge. We therefore welcome and embrace enhanced collaboration at international level to the mutual benefit of all.

The American Association of Retired Persons has always been a strong advocate of more transatlantic cooperation.

Your principles of promoting independence, dignity and purpose for all as people get older; enhancing the quality of life for older persons; and encouraging older people “to serve, not to be served” are very much in line with our values and objectives.

I look forward to further co-operation between the American Association of Retired Persons and the EU.

Healthy ageing presents both a great challenge and great opportunity for all of us. Together we can – and must – make it work.

Thank you.

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