

Subject: Joint submission to Europe 2020 Strategy


Dear Sir/Madam,

The Europe 2020 Strategy has a clearly defined objective: smart, sustainable and inclusive growth. It sets out targets for policymakers to work towards – and we believe that the pharmaceutical industry has an important role to play in meeting many of these objectives.

We - The European Generics Medicines Association (EGA) and the European Federation of Industries and Associations (EFPIA) are pleased to send our joint submission for the Public Consultation on the Europe 2020 Strategy for your consideration.

We remain at your disposal to discuss in more detail should this be of interest.

Yours Sincerely,



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PUBLIC CONSULTATION ON THE EUROPE 2020 STRATEGY

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- Public authority
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- Non-registered organisation/company
- Other, please specify:

Main area(s) covered by your contribution:

- Economic and financial affairs**
- Competitiveness**
- Industry**
- Single market**
- Employment**
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- Digital economy**
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- Education**
- Poverty/social exclusion**
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Health

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A) Background for the public consultation:

The Europe 2020 strategy was launched in [March 2010](#) as the EU's strategy for promoting smart, sustainable and inclusive growth. It aims to achieve a knowledge-based, competitive European economy while preserving the EU's social market economy model and improving resource efficiency. It was thus conceived as a partnership between the EU and its Member States driven by the promotion of growth and jobs.

The Europe 2020 strategy is built around five [headline targets](#) in the areas of employment, research and development, climate and energy¹, education and the fight against poverty and social exclusion. The strategy also set out a series of action programmes, called "[flagship](#)

¹ In January 2014 the Commission launched a [framework](#) for energy and climate policies up to 2030. A reduction in greenhouse gas emissions by 40% below the 1990 level, an EU-wide binding target for renewable energy of at least 27% and renewed ambitions for energy efficiency policies are among the main objectives of the new framework.

[initiatives](#)", in seven fields considered to be key drivers for growth, namely innovation, the digital economy, employment and youth, industrial policy, poverty and resource efficiency. The objectives of the strategy are also supported by action at EU level in areas such as the single market, the EU budget and the EU external agenda.

The Europe 2020 strategy is implemented and monitored in the context of the [European Semester](#), the yearly cycle of coordination of economic and budgetary policies at EU level. The European Semester involves discussion among EU institutions on broad priorities, annual commitments by the Member States and country-specific recommendations prepared by the Commission and endorsed at the highest level by leaders in the European Council. These recommendations should then be taken on board in the Member States' policies and budgets. As such, together with the EU budget, the country-specific recommendations are key instruments for the implementation of the Europe 2020 strategy.

After four years, the Commission has proposed, and the European Council of 20-21 March 2014 has agreed, to initiate a review of the Europe 2020 strategy. On 5 March 2014, the Commission adopted a Communication "Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth" ([Communication](#)  and [Annexes](#) ). drawing preliminary lessons on the first years of implementation of the strategy. Building on these first outcomes and in a context of a gradual recovery of the European economies, it is time to reflect on the design of the strategy for the coming years.

Through these questions, we are seeking your views on the lessons learned from the early years of the Europe 2020 strategy and on the elements to be taken into account in its further development, in order to build the post-crisis growth strategy of the EU.

B) Questions:

1) Taking stock: the Europe 2020 strategy over 2010-2014

Content and implementation

- For you, what does the Europe 2020 strategy mean? What are the main elements that you associate with the strategy?

The Europe 2020 Strategy has a clearly defined objective: smart, sustainable and inclusive growth. It sets out targets for policymakers to work towards – and the pharmaceutical industry has an important role in meeting many of these. At a practical level, the strategy provides a benchmark by which to judge policy proposals and political performance. It recognises that the EU and Member States must respond to major societal challenges, including demographic change, and rightly sees innovation in research, development and manufacturing and the aspiration towards competitiveness as integral in the pursuit of these goals. At EU level, it can provide a way forward in the dialogue between policymakers and stakeholders. However, there have been major political developments since the Strategy was formulated in 2010, particularly the introduction of the European Semester. This assessment of the strategy therefore provides an opportunity to take such developments into account.

As healthcare industries, we underline the importance of effective healthcare policies balancing health budgets, efficient health care systems and better health outcomes to help achieve the stated strategic objectives. Seen the demographic trends in Europe, like ageing population and increased chronic diseases, there needs to be a sustained effort to “[ensure] equitable access to high quality healthcare services in circumstances of scarce economic resources.”² Medicines accounted for 73% of the increase in life expectancy in Europe over the period 2000-2009³, therefore the pharmaceutical sector is fundamentally important in tackling Europe’s health – and therefore social and economic – challenges.

Today health and medicines policies are undermined by actions in other policy and budgeting areas and therefore fragmented. We see an opportunity to strengthen the Europe 2020 strategy by implementing an integrated life sciences strategy based on three pillars, outlined below in the ‘Tools’ section of Question 2.

- Overall, do you think that the Europe 2020 strategy has made a difference? Please explain.

The strategy has made a difference to policymaking relevant to the pharmaceutical sector through the renewed focus on innovation, science and industrial policy. The pharmaceuticals industry provides leadership in research, development and manufacturing and the related high skill employment and exports benefit the European economy. In spite of the economic crisis, our industry has managed to be resilient, continuing to invest in manufacturing jobs and in research and development.

At the same time, the European medicines industry is facing tremendous competitive pressure from other regions like US and Asia. In these regions, governments have developed very effective policies to support research, development and manufacturing in pharmaceuticals. We therefore welcome the recent Commission staff working document: “Pharmaceutical Industry: A Strategic Sector for the European Economy”⁴ and the “Agenda for Jobs, Growth, Fairness and Democratic Change” of incoming President Juncker which reengage the EU in supporting “*its global leadership in strategic sectors with high-value jobs such as the automotive, aeronautics, engineering, space, chemicals and **pharmaceutical** industries.* (emphasis added)”.

Our sector recognises the need to achieve financial stability alongside competitiveness and growth. The European Semester encourages Member States to more accurately measure the effectiveness of policy reforms by reporting progress and set-backs to the European Commission and by jointly agreeing on reform measures. The Commission has significant expertise that it can offer, provided that such advice and collaboration coherently supports the overall objectives of the strategy, rather than the narrow perspective of a single discipline. Healthcare reforms need to be based on an

² [Communication of the Commission on effective, accessible and resilient health care systems](#), p.2

³ Lichtenberg, F: “Pharmaceutical innovation and longevity growth in 30 developing OECD and high-income countries, 2000 – 2009” (2012)

⁴ SWD(2014) 216 final of 26.06.2014

understanding of the holistic, long-term effects of investing in health. Sustainable financing means ensuring that the right investment gets made, ensuring that all patients can get access to the best treatment options, whilst at the same time providing predictability for industry and sustainability for healthcare budgets. Therefore, to finance innovative medicines, there should be increased focus on generic and biosimilar medicines competition. Health Systems need to encourage access to medicines, which includes better access to generic and biosimilar medicines. Member States should consider to invest in pharmaceutical budgets on a long-term basis; for example halting and reversing the progression of chronic diseases is the best investment that health systems can make to ensure overall expenditure stays in control, and medicines have a key role.

Medicines policy should prioritise patient health and safety while improving Europe's attractiveness as a location for pharmaceutical investment.

In practice, the pursuit of the goals of Europe 2020 has been variable:

- EU investments in research have increased through Horizon 2020 (including IMI2), following a strong mandate for supporting innovation and R&D in Europe 2020.
- New EU pharmaceutical legislation has been introduced or proposed including the Clinical Trials Regulation, the Pharmacovigilance Fees Regulation, the Falsified Medicines Directive, the Transparency Directive, and coverage of Pharmaceuticals in the Environment via the Water Framework Directive. The pharmaceutical industry has been an active stakeholder in these policy discussions and has taken the following lessons from that experience:
 - European directives and regulations have often been useful in improving the overall pharmaceutical policy for the health and safety of patients – which we strongly support;
 - European policies have focused less on strengthening Europe's attractiveness as location for pharmaceutical investments in manufacturing, research and development, which we regret. These are examples where the priorities of Europe 2020 have not been carried through.

Proposal: The Europe 2020 Strategy will work insofar as EU policymakers and institutions ensure it is implemented throughout their daily decision-making. A “competitiveness check” is already intended to be common practice: this concept should be widened, whereby a **“Europe 2020 check”** would ensure that policymaking consistently meets the objectives of the strategy.

- Has the knowledge of what other EU countries are doing in Europe 2020 areas impacted on the approach followed in your country? Please give examples.
- Has there been sufficient involvement of stakeholders in the Europe 2020 strategy? Are you involved in the Europe 2020 strategy? Would you like to be more involved? If yes, how?

We welcome the Commission's efforts in seeking stakeholder input, but also see areas for improvement. Involvement needs to contribute to a better understanding of the inter-relationships between policy areas (e.g. the economy and health, or environmental and health regulation), leading to more coherent and ultimately more successful policymaking.

EGA and EFPIA welcome the increased focus on healthcare in the Country Specific Recommendations (CSRs) proposed by the Commission in 2014. However, we regret the Commission's tendency to persist in recommending a simple reduction of pharmaceutical spending. The commission should recommend sustainable mid- and long-term measures to build resilient healthcare systems, balancing access to innovative medicines and rapid competition from generic and biosimilar medicines to ensure cost-effective use of resources. The Commission recommendations for the healthcare sector need to be sufficiently specific to encourage policy changes that improve health outcomes and a value-based health system which considers costs, savings and efficiency drivers. Recommendations such as an arbitrary limit on pharmaceutical spending to 1% of GDP do not meet these criteria. Medicines should be part of an integrated assessment approach to understand the real value of money spent in healthcare management. EGA and EFPIA would welcome the opportunity for enhanced dialogue with the Commission and the Member States on the development of the CSRs.

In addition, we believe that the EU semester process needs to look at more concrete health care reform proposals that will enable the Commission to monitor the progress achieved (or not achieved).

Tools

- Do the current targets for 2020 respond to the strategy's objectives of fostering growth and jobs? [Targets: *to have at least 75% of people aged 20-64 in employment; to invest 3% of GDP in research and development; to cut greenhouse gas emissions by at least 20%, increase the share of renewables to 20% and improve energy efficiency by 20%; to reduce school drop-out rates to below 10% and increase the share of young people with a third-level degree or diploma to at least 40%; to ensure at least 20 million fewer people are at risk of poverty or social exclusion*].

The Commission's stocktaking of the Europe 2020 strategy to date⁵ recognises both the limitations of these targets and their role as 'policy anchors'. Broadly speaking, they make sense in that context.

- Among current targets, do you consider that some are more important than others? Please explain.

Targets in Europe 2020 are important for demonstrating the practical applications that pursuit of the strategy can have. However, a major part of value of Europe 2020 to practical policymaking is in providing a common understanding of the need for effective and coherent policymaking in pursuit of the strategy's objectives. Unless this common

⁵ COM(2014) 130 final/2

approach is understood by policymakers and can form the basis for stakeholder input, Europe 2020 will not fulfil its potential.

The 75% employment target for workers aged 20-64 requires strong labour force participation amongst older workers. This will only be achieved by embracing the concept of health as a key investment for future growth: (chronic) disease and disability are a major factor in early exit from the labour market. Growing rates of chronic diseases will be addressed through factors including increased prevention practices; patient access to medicinal products, services and management; as well as cost-savings through the medicines life cycle. The 'market uptake' of innovation coming from the entire pharmaceutical sector also contributes to the strategy's focus on enabling a knowledge economy.

The fight against poverty and social exclusion is also an important focus of Europe 2020. Social exclusion is aggravated by poor health and lack of access to appropriate medical treatment and services. Therefore, ensuring greater equity of access to healthcare should be an inherent element of the fight against social exclusion. Efforts should be made to help increase healthcare investments in many EU countries with very low expenditure. This may be achieved by introducing positive incentives (for example. The appropriate use of regional funds) in the EU Semester process for countries with low spending that implement improved healthcare and access reforms.

- Do you find it useful that EU-level targets are broken down into national targets? If so, what is, in your view, the best way to set national targets? So far, have the national targets been set appropriately/too ambitiously/not ambitiously enough?
- What has been the added value of the seven action programmes for growth? Do you have concrete examples of the impact of such programmes? [*"Flagship initiatives": "Digital agenda for Europe", "Innovation Union", "Youth on the move", "Resource efficient Europe", "An industrial policy for the globalisation era", "Agenda for new skills and jobs", "European platform against poverty"*].

The flagship initiatives provide more specific guidance on how the objectives of the Europe 2020 Strategy can be realised in practice – though they still need to be considered in the overall context of the Strategy as a common reference point for dialogue. The success of the Europe 2020 will be judged not only through Flagship Initiatives, but primarily through the quality and coherence of policy work coming from across the Commission. Recommendations and proposals should be assessed for their compatibility with Europe 2020. We hope that the 'project team' structure of the new Commission will encourage greater coherence.

Regarding specific initiatives:

- An industrial policy for the globalisation era: The EU's renewed focus on and dialogue around industrial policy is welcome, reflecting the reality of globalisation whilst fighting the prospect of protectionism, and recognising the need to improve market conditions both horizontally and within certain strategic sectors as was also highlighted by the Political Guidelines for growth and jobs presented by President-elect Juncker. For example, the Staff Working Document on 'The Pharmaceutical Sector: a Strategic

Sector for the European Economy' (SWD(2014) 216 final) contains useful analysis and recommendations, which now need to be translated into policy action. It underlines the important role that a competitive pharmaceutical sector can play in terms of health care provision, research, development and manufacturing. All of these facets of the pharmaceutical sector contribute significantly to improved healthcare, to growth and to jobs in Europe.

The paper also acknowledges that the EU pharmaceutical sector faces important competitiveness challenges from other regions, like US and Asia in research, development and manufacturing. The new Commission has an opportunity to boost the competitiveness of the EU pharmaceutical sector by:

- Adopting efficient regulatory measures through open and transparent input from healthcare stakeholders.
 - Promoting stable and predictable pharmaceutical markets that support investment in innovation and that stimulate healthy and sustainable competition in the post-exclusivity period.
 - Ensuring that the EU remains an attractive location for investment in the research, the development and the manufacturing of pharmaceuticals.
 - Cooperating with the industry so that Europe is able to react to new health risks and expand its manufacturing capabilities to securely provide for its own medicine needs.
- Innovation Union: The setup of Horizon 2020 is a significant success, increasing the Union's R&I budget even as its total budget decrease. Meanwhile, efforts have been made to increase the effectiveness of that spending. The focus on the Joint Technology Initiatives is welcome, and the Innovative Medicines Initiative 2 should be seen as an example of the EU and industry working together to provide world-class support for biomedical innovation.

However, beyond Horizon 2020, the impact of the Innovation Union on effective and coherent policymaking is more difficult to define, including in its translation to Member States. Extensive political capital has been placed in the Innovation Partnerships (EIPs). The EIP on Active & Healthy Ageing was promising due to its inclusion of market uptake of innovative products and services as part of its 'triple win'. The platform has served to raise awareness about best practises amongst different Member States and has helped to create partnerships amongst stakeholders across the EU. However, it may be perceived as marginal rather than transformational for innovation in healthy ageing in Europe. The challenge lies in effective execution. The work of DG SANCO in an area like this is important – but work across the Commission to meet defined Europe 2020 objectives on health would be more transformative.

We believe that the aspirations of the Innovation Union and Industrial Policy flagship initiatives would be served by the introduction of an integrated life sciences strategy for Europe, which would run across all relevant Directorates of the Commission. This would

also help ensure that the societal challenge of demographic change continues to be a priority focus within the Strategy.

2) Adapting the Europe 2020 strategy: the growth strategy for a post-crisis Europe

Content and implementation

- Does the EU need a comprehensive and overarching medium-term strategy for growth and jobs for the coming years?

Yes.

A more coordinated approach

Since its launch in 2010, Europe 2020 has provided a useful reference point. Understandably, political attention in the period since then has primarily focused on providing a stable financial and economic environment for Europe, and sustaining this remains an urgent issue. The experience gained in the last four years should enable the EU to adopt more sophisticated approaches to the interlinking between policy areas such as health and economic governance. Greater coherence in policymaking is essential if Europe is to move on from the crisis.

Proposal: The Commission should articulate how the Europe 2020 Strategy and the European Semester can beneficially interact. The Strategy provides a frame in which the broader perspectives of smart, sustainable, inclusive growth can be incorporated into the macro-stability-focused Semester; the Semester should be seen as a tool supporting the implementation of the Strategy.

Focusing action

To exit the crisis, the EU needs to focus on supporting the sectors that will provide the jobs and growth described in the strategy.

Intellectual Property (IP)-intensive industries will play a vital role. A recent study by the European Patent Office and Office for Harmonization in the Internal Market stresses the importance of investment in IP-intensive industries, which contributed 26% of EU employment and 36% of EU growth in the immediate aftermath of the crisis.⁶ Given the robustness of these sectors, IP-intensive industries should be put at the heart of medium-to-long-term strategies to foster growth and jobs. With this in mind, the pharmaceutical sector – a leader in IP development - provides great potential for fostering growth and increasing jobs. This is an area where EU-level leadership is relevant and could be fruitful.

Meanwhile, high technology manufacturing in the pharmaceutical sector has tremendous economic spin-off effects for Europe. Europe is a leading producer of bespoke technology for the development and production of high quality medicines – including

⁶ Intellectual property rights intensive industries: contribution to economic performance and employment in the European Union, European Patent Office and the Office of Harmonization in the Internal Market, p.6

generic, biosimilar and originator pharmaceuticals. There are pharmaceutical production sites in almost all EU member states which create high skilled employment, e.g. 75% of the generic medicines consumed in Europe are produced in European countries. The EU should adopt measures to support this highly competitive manufacturing sector.

Proposal: The EU should adopt an integrated strategy for the life sciences sector which includes action across the range of relevant policy domains. This would be a powerful example of this improved approach. As demonstrated by the expansion of the Innovative Medicines Initiative 2 to sectors beyond pharmaceuticals, particularly in the digital field, such a strategy would not be limited to covering academic biomedical science and the pharmaceutical and medical technology industries, but have much broader impacts. Such a strategy Should also support the competitiveness of manufacturing in Europe, and ability to supply Europe’s future medicinal needs.

- What are the most important and relevant areas to be addressed in order to achieve smart, sustainable and inclusive growth?

To achieve these goals, Europe needs to address the functioning of social and health provisions, and recognise and support the contribution of the life science sector to growth, competitiveness, and industrial policy goals. It can build on its heritage to do so.

The central role of health to smart, sustainable and inclusive growth

Europe has a social heritage which is a fundamental aspect of its identity. This is reflected in the Strategy’s call for inclusive growth. Meanwhile, the Strategy recognises the societal challenge posed by demographic change and an ageing population. The policy response to this requires action in diverse policy areas including the social and health systems. As stated by WHO Europe’s 2008 Tallinn Charter – endorsed by the EU’s Member States - “Investing in health is investing in human development, wellbeing and wealth.”⁷ However, as stated in EFPIA’s Health & Growth Manifesto, “From an economic perspective, Europe may be on the verge of a vicious cycle in which the combination of healthcare costs, changing demographics, and illness-related productivity losses put the sustainability of European universal healthcare models at risk. Many countries have already restricted access to healthcare by, for example, making it difficult to obtain medicines, increasing user charges, or delisting services from the benefits catalogue – measures that, while seemingly necessary in the short term, risk creating greater costs over the long run.”⁸ In this context, Europe – being the Commission, Member States and stakeholders together – needs to develop more responsive and sustainable approaches where by health is considered as a priority and a strategic investment area rather than simply a ‘cost’.

The importance of health to the European economy remains under-appreciated. The Commission’s stock-taking document notes that the shrinking and ageing of the working population “will limit Europe’s growth potential unless the EU is able to put more people

⁷ Tallinn Charter: http://www.euro.who.int/_data/assets/pdf_file/0008/88613/E91438.pdf p.2

⁸ EFPIA Health & Growth Manifesto: http://www.efpia.eu/uploads/documents/EFPIA-health&growth_MANIFESTO_V11_pbp.pdf p.13

to work and ensure that they work more productively for a longer time” (p.7). Health is at the very foundation of this aspiration, but the Europe 2020 strategy as currently conceived does not adequately address it. Some policymakers use the metaphor of a ‘race’ for global competitiveness – therefore, they should also appreciate the importance of investing in the fitness of the runner. EU governments spend a far greater proportion of social expenditure on sickness and disability transfers than on unemployment transfers: policy actions that promote investment and uptake of products and services that support and improve the health of the population are therefore essential.

Meanwhile, continuing to promote a stable economic and financial environment in Europe is a critical role for EU policymakers. Much needed structural reforms have now taken place in many countries. Yet policy recommendations that focus only on cutting healthcare costs without considering their impact on health outcomes are a disservice to the people of Europe. More sophisticated policymaking is possible, which would discriminate between inefficient spending, and spending that is an effective investment in health.

Following the implementation of demanding national expenditure targets set out in the Semester, consideration should be given to how healthcare reform can be leveraged to further foster growth are encouraged. This could take the form of a shift towards rational use of spending and on outcome-based healthcare systems for future investments, which would put the effectiveness of interventions at the heart of healthcare policy, highlighting the Commission’s commitment to future health and economic wellbeing.

The December 2013 Council Conclusions on the “Reflection process on modern, responsive and sustainable health systems” state that the Commission and Member States should “continue the reflexions on the adequate representation of health in the framework of the Europe 2020 Strategy in order to ensure that this strategic issue will be included also during future exercises of the European Semester”.⁹ The Commission therefore has the mandate for a clearer articulation of the importance of health in the Strategy.

The contribution of the life sciences sector

Co-existent with the economic value of a healthy population is the value of the industries that enable it, in which Europe also has a strong heritage. Europe is a leading developer and manufacturer of originator generic and biosimilar medicines. Pharmaceuticals represent the greatest trade surplus of any high technology sector in the EU.¹⁰ As 70% of the increase in medicines usage between 2011 and 2016 will come from emerging markets,¹¹ the sector provides significant growth opportunities for Europe. Supporting a

⁹ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lisa/140004.pdf p.5

¹⁰ *EFPIA: 10 Facts for Policy Makers*, fact 8:
http://www.efpia.eu/uploads/Modules/Documents/20131015_efpia_health-and-growth_10-facts_supporting-evidence-pack.pdf

¹¹ *EFPIA: 10 Facts for Policy Makers*, fact 7

world-leading life sciences and healthcare sector contributes to smart, sustainable and inclusive growth.

However, recently most policymaking in Europe has focused on cost-containment measures that negatively affect the medicines industries, such as the External Reference Pricing (ERP), claw-back policies, price freezes, price cuts and retail tendering. These measures pose a significant risk to the effective, accessible and resilient health systems that play a central role for societies in helping people maintain and improve their health.¹² Therefore, healthcare has to be seen as a driver for health and wealth, not as a cost burden.

Europe maintains a strong research and manufacturing base for medicines. This should be upheld: a dynamic industry in Europe is a positive factor for regional growth and for global security of supply.

Proposal: The value of health should be more explicitly recognised in any revamped Europe 2020 Strategy. This includes ensuring a high level of public health as part of a 'Europe 2020 check' on policy proposals; understanding the economic effects of policy measures affecting health, and promoting policy measures that positively impact this; and promoting efficient policies that balance support to innovation and the need for healthy and sustainable competition in post-exclusivity period from generic and biosimilar medicines.

Other policy domains

Education and skills are also critical policy domains for supporting smart, sustainable and inclusive growth in Europe, and need to be a feature of ongoing policy action. The life sciences sector depends upon a highly educated workforce – for example, the pharmaceutical sector outperforms all other leading industries in the measures of value-added per employee and turnover generated per employee.¹³

An ambitious trade agenda should also be sustained. In particular, the Transatlantic Trade and Investment Partnership represents an important opportunity to achieve smart, sustainable and inclusive growth. TTIP should include positive measures for regulatory cooperation, to improve regulatory science while reducing redundant or duplicative regulatory requirements. In addition, this agreement can be a first step to promote high global regulatory standards for pharmaceuticals.

- What new challenges should be taken into account in the future?

Europe 2020 rightly recognizes that the demographic change and the ageing of the European population create unprecedented challenges for the sustainability of social and health system. The long-term economic and social benefits of investing in health should be emphasized within the strategy.

- How could the strategy best be linked to other EU policies?

¹² Communication from the Commission on effective, accessible and resilient health systems, available at: http://ec.europa.eu/health/healthcare/docs/com2014_215_final_en.pdf

¹³ EFPIA: *10 Facts for Policy Makers*, fact 9

Europe 2020 should provide a common approach to policymaking in pursuit of the strategy's goals, which can also provide the basis for stakeholder input to policymaking. The need to articulate how the Strategy and Semester interact has been noted above. An integrated European life sciences strategy would contribute to Europe 2020's goals.

- What would improve stakeholder involvement in a post-crisis growth strategy for Europe? What could be done to increase awareness, support and better implementation of this strategy in your country?

Stakeholder involvement in policymaking can be particularly effective when stakeholders are invited to actively contribute, not just list their demands. In pharmaceuticals, the Innovative Medicines Initiative is an excellent example of how engagement between the Commission and industry can lead to world-class collaboration in research. At national level, the Joint Working Agreement between the Lithuanian Ministry of Health and EFPIA is an example of how policymaker collaboration with stakeholders can lead to excellent results, in this case paving the way for protecting future health and growth in Lithuania.

Similarly, the generic and biosimilar medicines industry has engaged in constructive dialogues on how to foster healthy competition in pharmaceutical dialogues in many EU countries – including the UK through an agreement with the government and multi-stakeholder dialogues on the sustainability of biosimilar medicine markets in Spain, France, Germany and Poland.

Developing an integrated life sciences strategy for Europe would involve significant levels of stakeholder input from a broad range of actors, including patients, academia, the health workforce, SMEs and the manufacturing sector, which could also help them to better understand the potential relevance of EU policy action.

Meanwhile, policy decisions need to be taken in the best interests of those they affect, and therefore the patient perspective should be sought and respected in all decisions that impact health – including economic and budgetary decisions.

There also needs to be a clearer process for stakeholders to contribute to the Country Specific Recommendations in the European Semester.

Tools

- What type of instruments do you think would be more appropriate to use to achieve smart, sustainable and inclusive growth?

An integrated life sciences strategy would help meet these goals. It can be built on three pillars:

- Improving health outcomes and removing inequalities to better patient benefits.
- Supporting sustainable and predictable health systems to speed access to medicines: governments, payers and industry should work together develop Growth & Stability agreements in order to secure optimal access medicines.

- Building a thriving life science sector to promote European competitiveness: Europe can regain scientific leadership by stronger coordination of nationally fragmented policies under a world-class, pan-European research, development and manufacturing agenda.

The signatories to have developed significant detail on how these pillars can be achieved, and would be pleased to discuss these with the Commission.

- What would best be done at EU level to ensure that the strategy delivers results? What would best be done at Member State level?

Public health is a shared competence in the EU. Article 168 of the Treaty of the functioning of the EU allows for action at European level and for community action building on national policies. Whilst recognising the validity of subsidiarity, we would encourage the European Commission to call on Member States to act in the spirit of Europe 2020 when appropriate.

Coherence in policymaking often depends on the ability to account for gains or losses in one area as a result of decisions made in another. This is especially the case in health, where advantages of health spending accrue to the social system and the wider economy. One such example is Sweden's Fit for Work project, involving collaboration across welfare, employment, and healthcare sectors on how to encourage return to work for those who are sick through early healthcare intervention. This has not only reduced the number of people taking sick leave or claiming disability benefits, but has also reduced the number of days they claimed as a whole. This outcomes-based approach has improved public health, increased the share of the population at work, and alleviated some of the financial burden on public services.¹⁴ In the Semester the Commission is providing advice to Member States on health and healthcare spending. It should do so on the basis of this sort of sophisticated understanding of the role health investment plays in the economy. The Commission should also consider positive incentivisation in the Country Specific Recommendations, for example the use of structural funds to help countries with very low healthcare spending, provided they implement efficient reforms including rapid competition from generics and biosimilars to ensure cost-effective use of resources.

- How can the strategy encourage Member States to put a stronger policy focus on growth?

Proposal: Recognition of the Strategy, and seeking to meet its aims, during discussions at all levels of the Council would provide one means by which the value of the strategy can be continually addressed with Member States.

- Are targets useful? Please explain.

¹⁴ Fit for Work presentation: *Investing in Healthcare: Breaking Down the Silos*, Brussels, October 2013 <http://www.fitforworkeurope.eu/Downloads/Conference%20documents/David%20McDaid%20-%20Fit%20for%20Work%20Europe%20Summit%202013.pdf>

- Would you recommend adding or removing certain targets, or the targets in general? Please explain.

The cross-border inclusiveness of the Europe 2020 strategy should also address the growing health inequalities in the European Union. The Staff Working Document “Report on Health Inequalities in the European Union”¹⁵ recognises the presence of significant health inequalities in the EU. For example, the gap between the highest and lowest male life expectancy at birth in the EU27 was 11.8 years in 2011. Investing in reducing health inequalities should be one of the goals of Europe 2020, in seeking Inclusive and Sustainable Growth.

Proposal: A progressive but attainable health inequalities target should be put forward to drive results that would further contribute to social cohesion, labour force participation, mobility and productivity.

- What are the most fruitful areas for joint EU-Member State action? What would be the added value?

(Voluntary) coordination of national R&D funding in addressing societal challenges is an area of significant opportunity.

3) Do you have any other comment or suggestion on the Europe 2020 strategy that you would like to share?

To recap some of the key points of this contribution, **the signatories ask the Commission to bring forth an integrated life sciences strategy based on three pillars:**

- Improving health outcomes and removing inequalities to better patient benefits.
- Supporting sustainable and predictable health systems to speed access to medicines.
- Building a thriving life science sector to promote European competitiveness.

Meanwhile, **the current disjointed approach to health spending also needs to be addressed by the Commission and Member States.** Healthcare reforms need to be based on an understanding of the long-term effects of investing in health. Short-term cost-containment measures that do not take this into account can undermine both access to healthcare for patients and the predictability of healthcare markets for economic operators, damaging the EU’s ability to meet the goals of Europe 2020. Taking this into account, **the Commission should articulate how the Europe 2020 Strategy and the European Semester can beneficially interact.** The December 2013 Council Conclusions on the “Reflection process on modern, responsive and sustainable health systems” state that the Commission and Member States should “continue the reflexions on the adequate representation of health in the framework of the Europe 2020 Strategy in order to ensure that

¹⁵ SWD (2013) 328

http://ec.europa.eu/health/social_determinants/docs/report_healthinequalities_swd_2013_328_en.pdf

this strategic issue will be included also during future exercises of the European Semester”.¹⁶ Thus **the Commission has the mandate to explicitly recognise health in the revised Strategy** and the Semester. The signatories would welcome the opportunity for enhanced dialogue with the Commission on the development of the CSRs.

We also suggest the following proposals as improvements for EU policymaking:

- **A “Europe 2020 check”**: The Strategy will be successful when integrated throughout daily decision making. A “competitiveness check” is already intended to be common practice: this concept should be widened, to ensure that policymaking consistently meets the objectives of the strategy.
- **Recognition of the Strategy, and seeking to meet its aims, during discussions at all levels of the Council** would help to continually emphasise the value of the Strategy with Member States.
- **A progressive but attainable health inequalities target should be included in the Strategy** to contribute to social cohesion, labour force participation, mobility and productivity.

Thank you for completing the questionnaire. Please send your contribution, along with any other documents, to SG-EUROPE2020-CONSULTATION@ec.europa.eu.

¹⁶ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/140004.pdf p.5