Game changers for sustainable development: Where the EU can make a difference

High-Level Policy Summit on Sustainable Development Goals

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Ensuring social and fiscal sustainability: overcoming the incompatible trinity

- Low potential growth
- Trimming of social protection
- Debt accumulation
- Public finances sustainability
- Generous welfare models
- Structural reforms 2.0
Avoiding to fall in a 'low-growth trap'

Potential GDP growth in the European Union (% change)

- Oil price shock
- Dot com bubble
- Fed tightening
- Financial crisis

Baseline scenario
Lower productivity scenario
At last, public debt starts falling

Public debt, EU (% of GDP), in brackets average GDP growth (%)

Launch of the €
Financial crisis

PROJECTIONS

Baseline
Low interest rates
Low interest and growth rates
Growth and intergenerational equity

Composition of public expenditures, by recipients' age group and by more vs less growth-friendly (% of total)

- **2007**
  - Old: 32.8%
  - Young: 63.6%
  - All age: 54.7%
  - Growth-friendly: 12.5%
  - Others: 11.9%
  - Interest expenditures: 6.4%

- **2013**
  - Old: 33.9%
  - Young: 65.0%
  - All age: 54.2%
  - Growth-friendly: 11.9%
  - Others: 5.9%
  - Interest expenditures: 29.1%