



# 3<sup>rd</sup> ESIP Annual Forum

Brussels, 15 October 2024

*"A strong welfare state for a socially robust single market:  
The role of social security"*

Conference report



On 15 October 2024, ESIP organised the 3<sup>rd</sup> Annual Forum titled 'A strong welfare state for a socially robust single market: The role of social security'. The annual Forum is ESIP's flagship public event. It was an all-day conference which gathered more than 150 in-person participants and covered both social protection issues as well as health and medicines policies.

Please visit the [Forum event page](#) on the [ESIP website](#) for all relevant information, including [pictures](#) from the event.

### Programme

Moderated by Yannis Natsis, Director, European Social Insurance Platform (ESIP)

#### **Welcome (09:15)**

Anne-Claire LE BODIC – ESIP President

#### **Introductory remarks (09:20-09:30)**

Jörg TAGGER – Head of Unit, Coordination of Social Security Systems, Directorate-General for Employment, Social affairs and Inclusion (DG EMPL), European Commission

#### **Supporting mobility of workers across the EU and fighting workforce shortages: Where social protection and labour policies meet (09:30-10:45)**

- Michel van SMOORENBURG – Senior international labour market analyst, Public Employment Service (UWV), Netherlands
- Paweł JAROSZEK – Board member, Social Insurance Institution (ZUS), Poland
- Nina SZALAY – International relations specialist, Social Insurance Agency (SIA), Slovakia
- Michael van der CAMMEN – Director, International relations, Federal Employment Agency (BA), Germany

#### **A single market that works for all: How do we bridge the gaps in social protection? (11:15-12:15)**

Setting the scene presentation by Anton HEMERIJCK – Professor, Political Science and Sociology, Director of research, Department of Political and Social Sciences, European University Institute (EUI), Florence

Followed by panel discussion with:

- Manuel PAOLILLO – Director General, FPS Social Security, Belgium
- Valeria VITTIMBERGA – Director General, National Social Security Institute (INPS), Italy
- Dana-Carmen BACHMANN – Head of Unit, Social Protection, DG Employment, Social Affairs & Inclusion, European Commission
- Allan PALDANIUS – Director, Finnish Centre for Pensions (ETK), Finland

**Keynote by Adam JARUBAS** (EPP, PL), Chair, SubCommittee on Health (SANT), European Parliament (13:15-13:30)

#### **A single market for pharmaceuticals: How do we ensure access to affordable and effective medicines? (13:30-14:40)**

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Presentation of the ESIP-MEDEV pharmaceutical expenditure survey by Benedetta BALDINI – Senior policy advisor, ESIP

Followed by panel discussion with:

- Max BLINDZELLNER – Senior Manager, Pharmaceuticals Department, National Association of Statutory Health Insurance Funds (GKV-Spitzenverband), Germany
- Claudia SCHARL – Head of Brussels office, Federation of Austrian Social Insurance (DVSF), Austria
- Sophie KELLEY – Head, Health products department, National Health Insurance Fund (CNAM), France
- Athos TSINONTIDES – Director, Pharmaceutical Directorate, Health Insurance Organization (HIO), Cyprus

**The welfare states & Europe's competitiveness: Friends or foes? Roundtable discussion with Members of European Parliament (15:00-16:00)**

- András KULJA (EPP, HU) – Vice-Chair, Committee on the Environment, Public Health and Food Safety (ENVI), Member, Subcommittee on Public Health (SANT) & Substitute, Committee on Employment and Social Affairs (EMPL)
- Vytenis ANDRIUKAITIS (S&D, LT) – Former European Commissioner for Health and Food Safety, Member of ENVI & SANT Committees
- Vlad VOICULESCU (Renew, RO) – Former Minister of Health, Romania & Member of SANT Subcommittee
- Tilly METZ (Greens/EFA, LU) – Vice-Chair, Subcommittee on Public Health (SANT), Member of ENVI Committee

### About the European Social Insurance Platform (ESIP)

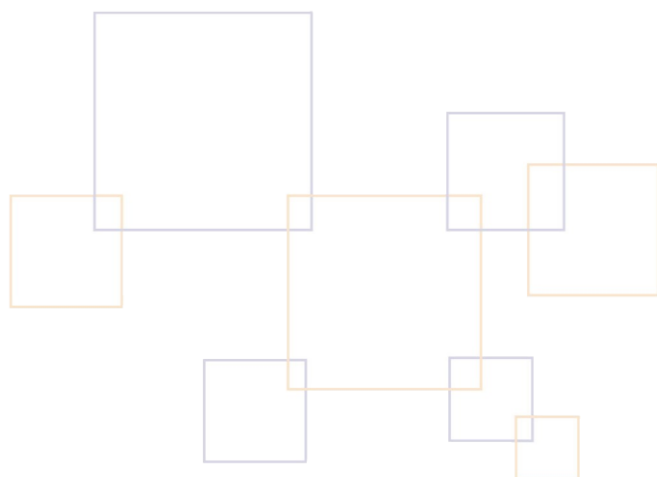
The European Social Insurance Platform (ESIP) represents 46 national statutory social insurance organisations in 18 EU Member States and Switzerland, active in the field of health insurance, pensions, occupational disease and accident insurance, disability and rehabilitation, family benefits and unemployment insurance. ESIP and its members aim to preserve high-profile social security for Europe, reinforce solidarity-based social insurance systems and maintain European social protection quality. ESIP builds strategic alliances for developing common positions to influence the European debate and is a consultation forum for European institutions and other multinational bodies active in the field of social security.

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**Anne-Claire Le Bodic**, President of ESIP, opened the Forum and welcomed participants. In the words of our President, ESIP's Forum has become an annual tradition and a highlight for policymaking in social protection and health. She underscored the pivotal role of welfare systems in stimulating economic growth, mitigating inequalities and responding to the big challenges in demography, environmental sustainability and digitalisation. Le Bodic explained that in deciding on the theme and in designing the structure of the panels for this year's Forum, inspiration was drawn from the recently published reports by Enrico [Letta on the future of the European internal market](#) as well as from the Mario [Draghi report](#) on the competitiveness of Europe.

Looking at the programme, she underlined the fact that the vast majority of speakers come from ESIP's Members. This highlights the unparalleled in-house experience and expertise social security institutions have. She remarked that the panel discussions will illustrate that a strong welfare state is not a burden but a fundamental component of a resilient and equitable Single Market.

#### Jörg Tagger Introduction Speech

**Jörg Tagger** (pictured), Head of Unit for Coordination of Social Security Systems in the DG Employment, Social Affairs and Inclusion at the European Commission, discussed the current reforms to EU social security coordination, highlighting the intricate realities of cross-border employment and the changing requirements of mobile citizens. He detailed the [2016 proposal](#) he co-authored, which aimed, amongst others, to address the rules on applicable legislation for unemployed cross-border workers, other issues on applicable legislation, long-term care and family benefits.



Nevertheless, after 15 presidencies, there has only been a provisional conclusion on long-term care, and family benefits, but an agreement on the other key issues (unemployment and applicable legislation) has not been received. The determination of whether the country of last employment or residency should be responsible for providing unemployment benefits to cross-border workers remains contentious. Tagger also emphasised the difficulties in organising social security for mobile workers and the swiftly evolving nature of teleworking. Emergency measures were implemented to facilitate increasing telework activities.

Tagger emphasised the continuous digital transformation of social security systems via initiatives such as the [European Exchange of Social Security Information](#) (EESSI). While EESSI has automated data transfers across institutions to enhance operations, such as pension and family benefit calculations, it predominantly serves to institutions, but not direct access for citizens. The [European Social Security Pass](#) (ESSPASS) initiative, which is at a pilot state with a few member states involved, seeks to offer citizens an electronic means to authenticate their rights, including the

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verification of health insurance status and the validation of employment credentials during inspections. Implementing ESSPASS necessitates substantial expenditure, data protection protocols and probably a new legal framework, with an evaluation of its feasibility planned for 2025.

He concluded by expressing confidence for future developments and advocating for collaboration, while recognising the necessity of adaptability to meet the varied and evolving demands of social security within the EU.

*Panel I - Supporting mobility of workers across the EU and fighting workforce shortages: Where social protection and labour policies meet*

The opening panel addressed Europe's labour market challenges, with experts from Germany, the Netherlands, Poland and Slovakia, all members of ESIP, examining solutions for workforce shortages, skill mismatches and demographic changes, while emphasising the pressing necessity for labour market reforms to maintain economic growth and social welfare.

Germany, represented by **Michael van der Cammen** (Director of international relations, Federal Employment Agency, BA), forecasted a significant shortage of skilled workers resulting from an ageing population. The whole country is projected to lose over 7 million workers by 2035 due to an increase in people in retirements. Germany has historically drawn substantial numbers of workers from other European Member states; however, this demography is now inadequate. Michael explained that Germany has implemented substantial improvements in its migration policies, including the streamlining of foreign qualification recognition to address shortages in essential sectors such as engineering, healthcare, and IT. He added that Germany endorses the European Commission's [talent pool](#) proposal, designed to enable strategic recruitment from outside Europe to meet its workforce requirements.

Nonetheless, determining the method of importing skilled workers is an important aspect as it permits to acknowledge which risks would apply. **Michel van Smoorenburg** (pictured), Senior international labour market analyst at the Dutch Public Employment Service (UWV) recognised that elevated vacancy rates signify a pressing demand for skilled workers, while also warning that



migration alone cannot serve as an all-encompassing remedy. In densely populated regions, such as the Netherlands, immigration exacerbates the burden on already constrained housing markets. There is concern that an excessive emphasis on immigration for immediate relief may postpone essential structural reforms, including the adaptation of new technologies, investment in domestic workforce training and enhancement of labour market conditions.



Panellists distinguished between the need for high-skilled and low-skilled labour, recommending tailored solutions. Although high-skilled professions are crucial for maintaining Europe's competitiveness, lower-skilled sectors would gain more from improved working conditions and wages to attract local workers instead of depending predominantly on imported labour. This distinction prompted questions on the most effective strategy for cultivating Europe's labour force.

*"In the EU, we have a labour market slack of 27 million people including 5 million underemployed part-timers, 13 million unemployed and 9 million other inactives (Eurostat). Many unemployed and part-timers want to work (more). In the meantime, for 64% of the Dutch shortage occupations there's at least one other EU-country which reports a surplus giving numerous opportunities to alleviate shortages."* (Van Smoorenburg)

Experience shows that there could be a shortage in one Member State and a surplus in another in certain sectors. This demonstrates that the EU has an untapped potential that may help address the labour market shortages overall.

Countries with elevated proportions of "posted workers", such as Poland and Slovakia, represented respectively by **Paweł Jaroszek** (Board member, Polish Social Insurance Institution, ZUS) and **Nina Szalay** (International relations specialist, Social Insurance Agency, SIA), emphasised the potential of labour mobility in Europe to mitigate particular shortages. Temporary or seasonal workers have progressively occupied positions in industries like construction and agriculture; however, this movement has its limitations and may intensify labour mismatches within the economies of the exporting countries. Panellists underscored the necessity of meticulously regulating these dynamics to foster sustainable employment and productivity growth inside the EU.

*"The main challenge is to attract the people we need as the EU is facing a lack of skilled workforces, but also a general lack of workforce partly because of demographic shift."* (Jaroszek)



Michael van der Cammen observed that labour market issues require a long-term, proactive strategy, especially in light of demographic changes. The panellists unanimously agreed on the necessity to tackle present obstacles, including housing affordability, and to foresee workforce issues in the forthcoming decade.

The panel emphasised the necessity for comprehensive strategies that harmonise external talent acquisition with local workforce development, enhancing labour market flexibility while addressing social welfare requirements. This strategy seeks to enhance the resilience, productivity, and sustainability of Europe's labour market in response to demographic and economic challenges.

The panel agreed that the successful implementation of these reforms is crucial for the long-term social and economic stability of Europe.

## *Panel II - A single market that works for all: How do we bridge the gaps in social protection?*

*Anton Hemerijck's Set-the-Scene Presentation – "Why Social Investment is Key to Delivering on the Letta and Draghi Reports?"*

In his [setting-the-scene presentation](#) for the second panel, **Anton Hemerijck** (Professor of Political Science and Sociology and Director of Research, Department of Political and Social Sciences, European University Institute, EUI) emphasised the critical role of the welfare state in maintaining Europe's long-term economic competitiveness, especially in light of the recent [Letta](#) and [Draghi](#) reports. He underscored that although these reports acknowledge the imperative for a strong welfare state, they overlook the many ways in which the welfare system might enhance productivity and competitiveness. Hemerijck argued that the transition from prioritising labour cost reduction to enhancing productivity, exemplified by Draghi's strategy, symbolises a turning point. Nevertheless, he contended that both reports fail to articulate the optimal welfare state model for achieving these strategic objectives, especially with an ageing demographic.

Hemerijck emphasised the significance of the welfare state throughout crises, such as the Great Recession and the pandemic, where welfare systems served as crucial buffers to sustain both the economy and household income.

*"When COVID-19 struck, it was imperative to make restrictive lockdowns to buy time to develop vaccines, and this could only be done if countries would expand the welfare state. This was done with short term work schemes, supported, not only by monetary policy, but also by the "New Generation EU" fiscal policy. In 2021, we have seen the greatest expansion of the welfare state in history (according to The Economist), and it was recognised as a very important, timely intervention."*  
(Hemerijck)

Put simply, the welfare states enabled the stability of economies and safeguarded citizens under extraordinary circumstances. He emphasised that investment in early childhood education, active labour market policy and lifelong learning will improve productivity, social mobility, and ultimately, economic competitiveness.

In his concluding remarks, Prof. Hemerijck emphasised the significance of a balanced welfare state that integrates social security with social investment. He reiterated that these policies should be seen not merely as redistributive measures but as investments that boost the productivity of the workforce. Hemerijck also warned against the discontinuation of the [European Semester](#), an essential framework for progressively transitioning policy towards a more advanced welfare model. He cautioned that, without a substantial increase in investment in social infrastructure and human capital, Europe may face austerity measures in the future due to accelerating demographic changes. He persisted in advocating for ongoing support for social investment to guarantee the EU's future competitiveness and sustainability.



### Panel Discussion

During the panel discussion that followed, panellists addressed the need to close gaps in social protection within the EU, emphasising the challenges of maintaining robust and inclusive social security systems amidst demographic changes, economic cycles and technological progress. Anton Hemerijck set an optimistic tone with his presentation, suggesting that, notwithstanding concerns about artificial intelligence (AI) and automation displacing employment, historical patterns demonstrate that technological advancements typically generate additional job prospects rather than diminish them.

The importance of integrating social protection with social investment was highlighted by most of the speakers, since social investment is essential for guaranteeing individuals' security and well-being throughout their lifetimes. The sufficiency of pensions and other social security measures requires thorough evaluation, particularly in light of population ageing.



**Manuel Paolillo** (pictured), Director General of the Belgian FPS Social Security, emphasised the necessity of embedding social protection more thoroughly across EU governance and economic strategies. He remarked that social security should be regarded not merely as a safety net but as a fundamental element of EU competitiveness. Paolillo underlined that the EU must persist in aiding member states with social protection reforms, while also warning that national authorities need to be more vocal and committed in these policy debates to guarantee the enduring success of such reforms. Social investment serves as a driving force for economic stability and progress.

*"Social protection can be at the heart of the reactor of the governance but how can we [Social Security providers] contribute and how can we revamp our narrative regarding the fact that social protection is part of the solution, is part of the competitiveness of the EU. This is why it is very important to go forward with this social investment idea." (Paolillo)*

The panel also discussed the growing significance of digitalisation and technological innovation in enhancing social protection systems. **Dana-Carmen Bachmann** (pictured), Head of Unit for Social Protection in DG Employment, Social Affairs & Inclusion at European Commission, recognised the importance of digital competencies in contemporary society, highlighting that the European Commission prioritises the enhancement of digital literacy among all demographics, especially to enable older adults and public service personnel in utilising online services. She underscored that a primary difficulty is ensuring that social security services address the digital divide, especially for individuals less adept with technology. She highlighted EU's priority in developing adaptable retirement options to enhance pension sufficiency and mitigate the risk of poverty among the elderly.





**Allan Paldanius** (Director, Finnish Centre for Pensions, ETK) talked about the possibility of pension reforms in Finland in the near future, where private pension insurance companies would experience a loosening of investment regulations, facilitating increased equity participation. He asserted that this could provide a solution to some of the financial challenges facing pension systems, however it

*"We can only solve the issue of sustainability of social security systems if we work together on mobility of workers, especially the international cross-border issues. There is a need for more cooperation and discussions on that in terms of social security." (Paldanius)*

remains a subject of meticulous examination. Bachmann and Paldanius emphasised the necessity of cross-border collaboration to mitigate social protection deficiencies, particularly within a mobile European workforce where individuals frequently engage in employment across multiple countries during their careers.

**Valeria Vittimberga** (Director General, Italian National Social Security Institute, INPS) noted that Italy's contribution-based pension system is under significant strain due to demographic shifts. Italy is prioritising sustainability by enhancing labour market participation, particularly among under-represented groups, including women and young people. Initiatives encompass supporting the practice of active ageing and gradual retirement for older workers. Furthermore, she presented a novel perspective on the function of AI in the future labour market, proposing that AI ought to enhance social security systems as it progressively assumes responsibilities historically undertaken by humans. This initiated a comprehensive reconsideration on how technology innovations can be used to benefit workers and bolster a sustainable social protection framework in the future.



*"If AI is going to keep a big part of our labour market, AI should pay for this, should pay contributions and should pay health care so people really remain in the future, at the centre of our action. But it cannot be tackled through national legislation policies only, European should start thinking about it now." (Vittimberga)*

### Keynote speech by MEP Adam Jarubas

The afternoon session was opened by a keynote speech by **Adam Jarubas**, Member of the European Parliament (MEP), EPP, Poland. A former governor of one of the largest regions in Poland, he is the chair of the European Parliament Subcommittee on Public Health (SANT) and a substitute member of the Committee on the Environment, Public Health and Food Safety (ENVI). He addressed the key question of how to ensure access to affordable and effective medicines.

*"For medicines to be available, they should be invented and safely approved for use, produced or imported in sufficient quantities. For medicines to be truly accessible, patient and financing systems should be able to afford them." (Jarubas)*

He also reflected on the necessary balance between long-term investment and risks assumed by pharmaceutical companies on the one hand, and profit levels on the other. As soon as appropriate returns are realised, generic competition should begin, reducing prices for patients and taxpayers. The ongoing work on the revision of the EU pharmaceutical legislation will be crucial in this regard.

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The European Parliament has made significant steps forward towards the finalisation of this reform, starting from the multi-stakeholder EU Pharmaceutical Roundtable organised by MEP Adam Jarubas in January 2024, and concluding with the first reading position adopted by the European Parliament in April 2024. Adam Jarubas concentrated on two important and highly debated elements: potential extensions to Regulatory Data Protection (RDP: limited periods of exclusivity aimed at protecting pharmaceutical developers' data) and their budget impact; as well as access inequalities across the EU, that the European Parliament proposed to fix with an unconditional obligation to apply for reimbursement in all Member States, upon request of the competent authorities.



Another highly political and pressing topic is medicine shortages. According to Adam Jarubas (pictured), Europe's dependency on global supply chains is concerning. "There is a certain level of production and supply on which the health and lives of Europeans depend, which marks the limit between simple business and security", he stated. Thus, efforts to bring production back and diversify supply chains are vital. The European Parliament has

published a study, commissioned by Adam Jarubas, on supporting and rebuilding the production of active substances in the EU, and has supported other initiatives in this field such as the establishment of a Union list of critical medicines, the launch of the Critical Medicines Alliance and a future Critical Medicines Act. Finally, a great source of innovation today lies in biotechnology, with an EU BioTech Act announced in the next mandate. According to Adam Jarubas, appropriate incentives to boost production capacity would promote this sector within the EU, especially as global competition intensifies.

### *Presentation of the ESIP-MEDEV pharmaceutical expenditure survey*

Following this keynote introduction, Benedetta Baldini (pictured), Senior Policy Advisor at ESIP, presented the [ESIP and MEDEV report on trends in pharmaceutical expenditure](#). This report outlines the results of an exercise conducted with public health insurers, analysing trends and drivers of medicine spending. Respondents from 15 EU Member States and Norway reported that medicine spending has been rising steadily in both hospitals and community pharmacies settings, sometimes exceeding budget forecasts, and with growth rates higher year-over-year. Rising prices—especially for new, expensive therapies—are the major driver of this increase, rather than just volumes of prescriptions. Oncology and rare diseases were identified as key therapeutic areas driving costs, with spending on orphan drugs growing at a much faster rate than the overall pharmaceutical market. In her [presentation](#), Benedetta Baldini highlighted figures on pharmaceutical expenditure trends in Austria, Belgium, France, Germany, Portugal, Slovenia and Sweden.



### Panel III - A single market for pharmaceuticals: How do we ensure access to affordable and effective medicines?

During this panel, four national experts from public healthcare payers, all ESIP Members, examined the alarming trends of growing medicine prices and looked into possible solutions for a sustainable future.

Panellists raised critical concerns both around trends in pharmaceutical expenditure in larger countries, and access to medicines in small countries. **Maximilian Blindzellner** (Senior Manager, Pharmaceuticals Department, National Association of Statutory Health Insurance Funds, GKV-Spitzenverband) highlighted that over the past five years, outpatient pharmaceutical costs in Germany have increased by 22%, putting immense pressure on the healthcare budget. The demographic shift also poses a challenge, as contributions to the system may not keep pace with growing expenditure, requiring revising and increasing the contribution rate. For France, **Sophie Kelley** (Head, Health products department, National Health Insurance Fund, CNAM) highlighted the significant impact of oncology treatments on the overall pharmaceutical expenditure, as well as the rising costs of orphan drugs, which nearly doubled since 2019 and outpaced the global drug market's growth. Pharmaceutical spending has risen, largely driven by high-priced patented drugs, in smaller countries like Austria as well, explained **Claudia Scharl** (pictured) (Head of Brussels office, Federation of Austrian Social Insurance, DSVS).

Furthermore, it was pointed out that off-patent drugs remain expensive due to limited competition. IQVIA data highlights a biosimilar gap, as only half of the biologics with soon-to-expire patents have biosimilars in development. Concerns were also raised about therapies being removed from the market too quickly, often due to pressure for the introduction of newer, more expensive treatments, which further exacerbates the affordability issue.



Beyond this affordability challenge, smaller countries like Cyprus face issues in accessing medicines. According to **Athos Tsinontides** (pictured) (Director, Pharmaceutical Directorate, Health Insurance Organization, HIO), medicine availability is hindered by limited interest from pharmaceutical companies in small markets. This, combined with lack of strong negotiation power and long negotiation timelines, can cause delays in securing agreements, further complicating access to essential treatments.

*"As a payer organisation, we are not just an insurance company 'paying bills', but a social insurance system. We pursue a solidarity mission to provide access to the best treatment for patients."*  
(Tsinontides)

Decisions on reimbursement, and consequently patient access to medicines, are also jeopardised by poor evidence, which often doesn't meet the standards required, especially in terms of relative effectiveness compared to existing treatments. Claudia Scharl stressed the need for health insurers to focus on therapies with solid clinical evidence, to ensure that new medicines bring real value to patients. Improving the design of clinical trials to meet both regulatory and HTA needs, Maximilian Blindzellner added, would be essential to provide clearer guidance for treatment decisions.

*"The priority for health insurances is to manage a limited healthcare budget efficiently, while ensuring that patients have access to high-quality care." (Scharl)*

Panellists also discussed approaches to securing access to medicines, even in cases where clinical evidence is lacking or inadequate - early access schemes and managed entry agreements (MEAs), among others – as well as cost-containment measures to manage pharmaceutical budgets - like clawback mechanisms and rebates. These strategies brought some positive results but are not without their drawbacks. For instance, Athos Tsinontides highlighted the lack of transparency in MEAs, which makes it challenging for small countries to negotiate equitable prices.

*"Innovation needs to be evidence-based and affordable, otherwise the financial sustainability of health system is at risk." (Kelley)*

Sophie Kelley emphasised the work around improving evidence requirements for early access mechanisms led by the French health technology assessment body (HAS). Some argued that rebates and clawback mechanisms might lead to price increases in the long term, generating an inflationary dynamic. From the audience, Pedro Facon (Deputy CEO, National Institute for Health and Disability

Insurance, INAMI-RIZIV, Belgium) emphasised that the real question is not around incremental cost reductions or increases, but what healthcare systems should be funding in terms of value, especially when old, well-established treatments are still on the market.

Representatives from the pharmaceutical industry in the audience raised questions around the proportion of pharmaceutical expenditure within overall health spending, suggesting trends of stagnation or decline. Maximilian Blindzellner cautioned against a misleading interpretation of available data, especially where they only refer to portions of the overall pharmaceutical expenditure (community pharmacies only, for instance). Representatives from consumer organisations raised concerns on austerity measures and shrinking healthcare budgets, while cautioning against a potential increase in patient co-payments.



Finally, looking at the EU policy agenda, panellists discussed the highly debated topic of strategic autonomy and competitiveness. Maximilian Blindzellner argued that fostering a competitive environment requires more than just protecting the established industry. A stimulating and innovative environment, he noted, is key to future growth, supported by factors such as high-level education, public research infrastructure, and efficient welfare systems. Claudia Scharl emphasized that an open conversation about what pharmaceutical companies truly need to remain in Europe is essential for the debate on strategic autonomy.



*"Competitiveness is not established by building a golden cage, pampering an established industry. A stimulating environment is key to future growth, and should be supported first and foremost by factors such as high-level education, public research infrastructure, and efficient welfare systems."*  
(Blindzellner)

The panel concluded by agreeing on the need for evidence-based and affordable innovation, or the financial sustainability of health systems would be jeopardised, Sophie Kelley said. The challenge, Claudia Scharl noted, remains to manage the healthcare budget efficiently, while ensuring that patients have access to high-quality care. Indeed, the social insurance system pursues a solidarity mission to provide access to the best available treatment, beyond just 'paying bills', concluded Athos Tsinontides.

*Panel IV - The welfare states & Europe's competitiveness: Friends or foes? Roundtable discussion with Members of European Parliament*

The last session of the Forum welcomed MEPs András Kulja (EPP, HU), Vytenis Andriukaitis (S&D, LT), Vlad Voiculescu (Renew, RO) & Tilly Metz (Greens/EFA, LU) for a roundtable discussion.

**András Kulja** (pictured), a newly elected MEP and medical doctor by training, reflected on his career in surgery in Hungary, where he encountered a lack of essential medical devices and equipment, besides concerning shortages of the health workforce and especially nurses.

*"Surgeons struggle to communicate efficiently and in simple words to patients. Engagement through social media channels clearly shows that there is a strong demand for more health information."* (Kulja)



The critical workforce shortages are particularly concerning in Eastern Europe, driven by low salaries and brain drain, and András Kulja reflected on how artificial intelligence (AI) could help reduce administrative burdens. Another significant problem he addressed is poor health literacy: with his YouTube and TikTok channels amassing 370,000 followers – 4% of the population in Hungary, András Kulja aims to educate the public on medical conditions.

Additionally, András Kulja reflected on his reasons and motivation to run for the European Parliament. He emphasized the need for an EU-level solution to healthcare professional and medicine shortages in Eastern Europe, as well as for rare diseases, and expressed concerns on the fragmented pharmaceutical legislative system. In conclusion, he highlighted the importance of an EU-level approach to resolve health workforce shortages, and urged to promote health literacy and education, fighting vaccine hesitancy and misinformation.



**Vytenis Andriukaitis** (pictured), former Minister of Health in Lithuania and Former Commissioner for Health and Food Safety, highlighted the fragmented nature of healthcare in the EU, where 27 Member States have different welfare models, leading to growing inequalities. Referring to his publication 'A European Health Union: A Blueprint for Generations', Vytenis Andriukaitis expressed concerns on the lack of shared competences in health, particularly in areas where Member States struggle to

ensure adequate access, such as rare diseases. 27 fragmented pharmaceutical markets and health insurance systems call for stronger cooperation: a reflection followed on the possibility for payers to act as a collective purchasing body and engage in pre-emptive negotiations on healthcare solutions, and on the need to consider new financial models for healthcare. Revising the Treaty on the Functioning of the European Union to strengthen the shared competences in health would be crucial, according to Vytenis Andriukaitis. Importantly, he urged to treat health as a central goal of EU policy, not as an ancillary matter.

In summary, Vytenis Andriukaitis called for a more unified and effective approach to health within the EU, with stronger shared competences, more collaboration across Member States, and a focus on addressing inequalities and urgent health challenges.

*"Article 168 of the EU Treaty allows the EU to support Member States if they choose to collaborate, but this is limited to "soft" instruments or referring to the single market. This is insufficient. We need to strengthen shared competences, especially for rare diseases."*  
(Andriukaitis)

**Vlad Voiculescu** (pictured) reflected on the evolution of EU health policies and his experience at national level, particularly on medicine shortages. While the topic gained political prominence in recent years, affordable generic medicines have been unavailable in Romania for a long time already. To address this issue, Vlad Voiculescu imported cheaper generics from other Member States. In this context, he stressed the need for the EU to remain sustainable and competitive, while cutting dependencies on countries outside the Union, particularly with reference to the future Critical Medicines Act. When it comes to the link between EU competitiveness and the welfare state, Vlad Voiculescu highlighted that since Romania joined the EU in 2007, its GDP tripled, poverty was cut in half, and minimum wages increased fourfold. This parallel improvement of competitiveness and



social justice should be the goal for the pharmaceutical sector as well, especially in light of future legislative initiatives. The pandemic has also shown important lessons on competitiveness. The Recovery and Resilience Facility (RRF) offers a new way to finance investments and target reforms in critical sectors.

*In light of the health workforce challenge "The question is: Is it enough to train more local healthcare workers, or should we consider other solutions including recruiting from abroad?"*  
(Voiculescu)

Finally, Vlad Voiculescu referred to the Draghi report on competitiveness, expressing his support and hopes it will become a key reference in future political discussions. One of the report's key conclusions is that addressing health workforce shortages must be a top priority, as significant staff shortages are impacting even the largest institutions in the biggest countries.

According to **Tilly Metz**, health is a core value for European citizens and ensuring access to healthcare while addressing social needs is paramount. Europe's competitiveness agenda must align with the preservation of its welfare state. A strictly profit-driven, competitive approach is rejected, while the focus should remain on public health as a common good, and on well-functioning and sustainable healthcare systems. Accordingly, Europe should not follow the US model, where high healthcare costs limit access, and health inequalities are wider. Instead, Europe needs new models that foster innovation while keeping medicines affordable and accessible. While some advocate for treaty changes to give the EU more power in the domain of health, Tilly Metz recommends caution. Opening the treaties could bring more risks than rewards in the current political term. Initiatives like the European Health Data Space (EHDS) and the European Pillar of Social Rights (EPSR) are important steps toward better coordination of European health and social policies already.

*"Even if Europe has limited competences in health, the pandemic showed that we can act together in times of crisis, and this spirit of cooperation should continue." (Metz)*

Furthermore, she referred to the EU Pharma Package as an opportunity to strike a balance of power and establish clear conditions for the pharmaceutical industry, promoting transparency and preventing excessive pricing. Finally, she urged to address workforce shortages in healthcare across Europe, improving coordination and working conditions, and announced an upcoming European Parliament's report on this topic. In summary, Tilly Metz stressed the importance of adopting a responsible and sustainable approach to the healthcare sector, urging a move away from profit-driven models. She advocated for enhanced EU coordination in areas like research, supply, and production, while also calling for a stronger emphasis on public health as a common good, universal healthcare coverage, and prevention.

