

Conference on the Green Paper on Pensions

*Brussels, Charlemagne Building
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Closing speech

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European Commission

Commissioner for Employment, Social Affairs and Inclusion



Ministers,

Honourable Members of Parliament,

Ladies and gentlemen,

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

(Introduction)

Fostering an open debate on the future of pensions in Europe was the reason why we launched the Green Paper back in July.

Our discussions represent an investment for the future. That is why I would like to thank you all for your active participation at this Conference. We are now **better placed** to look at the ways in which we need to move forward.

In the beginning **Minister Daerden** underlined the need to react to the financial crisis, especially as funded complementary schemes are getting more important.

In his keynote speech, **Mr. Barr** shared with us his analysis of the challenges for the future of pensions. He recommended that we, the European Commission focus

- on information provision,
- take a more active role in advising, for example on indicative minimum standards,

- and facilitate mobility.

Let me announce that all the presentations will be available on a website, and we will send all of you the link.

Today's conference picked up on four areas that need to be strengthened if we are to ensure adequate, sustainable and safe pensions for our citizens. Rapporteurs will kindly report back of the four panels.

We will start with panel 4, and the question: how can Europe promote pension safety and transparency?

I believe that issues like

- people being aware and well informed about their own pension situation;
- guarantees and safety offered by pension providers; and
- the trend of moving away from guaranteed state pensions towards pensions in the private domain

were discussed in panel 4.

But let me turn to **Jonathan Faull**, Director-General of DG MARKT for his report.

Thank you, Jonathan.

The first panel discussed how Europe can contribute to adequate and sustainable pensions by promoting active and healthy ageing.

This morning, Nicolas Barr made the case for later and more flexible retirement. If we cannot afford adequate pension, then we should retire later.

I know that there is a great temptation to wait until the necessary labour market and other measures have increased the average exit age before increasing the pensionable age.

But I very much fear that we do not have the luxury of taking this approach; instead we need to work in parallel.

We must remember that upward adjustments of the pensionable age will need to be phased in – we need to start making difficult decisions now in order to safeguard our long-term future.

However, I would like to make it clear that it is not just workers who must bear the burden of change; employers and state regulation must also adapt and on all fields, from employment to health. Here, I see the social partners taking on an important role.

But let us see what panel 2 discussed: I would like to ask **Georg Fischer**, director of DG Employment for his report.

The second panel discussed how Europe can promote adequate and sustainable pensions and sound public finances.

Olli Rehn unfortunately had to leave earlier to the heads of state and government, which concluded only two hours ago. I quote:
"The European Council invites the Council to speed up work on how the **impact of pension reform** is accounted for in the implementation of the Stability and Growth Pact, and **report back** to the European Council in December. Acknowledging the importance of systemic pension reforms, a level playing field within the SGP should be ensured." End of quote.

You see, our pensions conference could not be more timely.

I would like now to invite **Monika Queisser** from the OECD to report on the discussion in the second panel.

Panel three discussed how we can **remove barriers** in pension systems that limit the mobility of workers and the development of pension funds.

European labour markets are in a process of change - **workers are becoming ever more mobile**. Unleashing the full potential of the single market could bring significant benefits both to the European economy as a whole, as well as every citizen.

One of the pillars of the European Union is the free movement in the single market – free movement of workers and capital.

The Green Paper is an **opportunity** for you to put forward your concrete proposals for further action in that area.

I kindly ask **Georg** to report back.

Ladies and gentlemen,

We all know that **changes are unavoidable** – the big question is how to implement them. Today has proven to me once again that pension measures are most efficient if they have been widely consulted with the social partners and other stakeholders.

Any change needs to be **clear and transparent on future pension rights**.

Clearly, having **continuity** in the system helps to ensure this, but we must recognise that in a rapidly evolving world, continuity is not always possible.

Ladies and gentlemen,

The consultation phase of the Green Paper is **still open** and I hope that you will **use the insight** gained today to feed into your formal responses.

After the consultation period closes, the Commission will **publish a summary** of the main findings.

Given the success of the approach used in the Green Paper, I intend to keep the **holistic and broad approach** we have had so far. You may be aware that the College has just adopted the 2011 Commission Work Programme, which foresees the publication of a **White paper on pensions** in the 3rd quarter of 2011. We will also continue our work on **demography, and active ageing**.

This Conference has highlighted yet again the value of sharing views and I intend to continue to do so. As such, any legislative proposal will involve an **impact assessment**, which will look into the consequences of any proposal. This will provide stakeholders with another opportunity to be involved in the process.

I look forward to our **work together** over the coming years.

Thank you for your attention and I wish you all a safe journey home.