



EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS



THE ECONOMIC AND BUDGETARY IMPLICATIONS OF GLOBAL AGEING

A Joint Conference of
European Commission (Directorate General for Economic and Financial Affairs) and
the Global Aging Initiative of the Center for Strategic International Studies

**Brussels
4 and 5 March 2003**

DAY ONE
4 March 2003 (EVENING ONLY)

Location: Hotel Dorint Brussels
Boulevard Charlemagne 11-19
B-1000 Brussels/Bruxelles

18:30 – 20:00 **Panel Discussion: The Geopolitics of Ageing** – By 2050, there could be 30 percent fewer Europeans in their twenties. Labour shortages and fiscal competition from pensions and health spending will create pressures for reducing military expenditure. China and Russia are also ageing. But “youth bulges” in other regions may result in new challenges and risks including large migration flows. Overall population trends may reshape the geopolitical landscape.

Introduction by Pedro SOLBES, European Commissioner for Economic and Financial Affairs

The Geopolitical Implications of Ageing and Depopulation in the Industrialised countries

Anthony H. CORDESMAN, Arleigh A. Burke Chair in Strategy, CSIS

Towards a North-South Summit on Global Ageing

Inder Kumar GUJRAL, former Prime Minister of India

20:00–22:30 Reception and Dinner

Welcome and Acknowledgements

Pedro SOLBES, European Commissioner for Economic and Financial Affairs

John J. HAMRE, President & CEO, CSIS, former U.S. Deputy Secretary of Defense

Gregory LASHUTKA, Senior Vice President, Nationwide Global

DAY TWO
5 March 2003

Location European Commission,
Charlemagne Building,
rue de la Loi 170, Brussels

8:45 – 10:00 ***Keynote Addresses and Discussion***

Introductions and Overview

John J. HAMRE, President & CEO, CSIS, former U.S. Deputy Secretary of Defence

The Twin Challenges of Ageing and Depopulation

Klaus REGLING, Director General of DG ECFIN

10:00 – 10:15 Break

10:15 - 12:00 **Panel 1: Fiscal Challenges** – Chaired by **Professor Renato BRUNETTA**, Member of the European Parliament

As the first wave of the baby boom generation retires, developed-country governments are beginning to experience the long-predicted rise in pension and health spending. Looking at individual countries, how rapidly will these fiscal challenges materialise, and which ones are best equipped to address them? Is adequate emphasis being placed on the need to prepare for the budgetary consequences of ageing populations.? How do demographic, economic, and labour force assumptions affect official budget projections?

Fiscal policy and the long-term: addressing the challenges posed by a future of ageing populations, climate change, globalisation and global inequality

Peter HELLER, IMF

The budgetary challenge facing the EU

Henri BOGAERT, Chairman of the EPC Working Group on Ageing Populations and Director of the Bureau du Plan of Belgium

Pension reform and ageing populations in EU accession countries

Marek GÓRA, Professor, Warsaw School of Economics

Index of Ageing Vulnerability: a Comparison of the Leading Economies

Richard JACKSON, Adjunct Fellow, CSIS

12:00 – 13:15 Buffet Luncheon

13:30 – 15:45

Panel 2: Economic and financial market challenges – Chaired by **Lars-Eric PETERSSON**, President & CEO, Skandia

A decrease in working age populations combined with shrinking numbers of ever-thriftier consumers to undermine GDP growth in much of the industrial world. Are the rich nations prepared for an era when GDP growth will depend exclusively on rising productivity? How will baby boomer life-cycle consumption affect global saving after 2020?

European financial markets and demographic change

Alberto GIOVANNINI, CEO Unifortune Asset Management & Chairman of Euro (Giovannini) Group on Capital Markets

Capital Returns in Ageing Societies

Laurence H. MEYER, Distinguished Visiting Scholar, CSIS and former member Board of Governors US Federal Reserve System, and **Eric ENGAN**, Fellow at the American Enterprise Institute.

Creative Destruction in Ageing Societies – a Sector by Sector Analysis

Sylvester SCHIEBER, Research Director, Watson Wyatt Worldwide

15:45 – 16:00

Break

16:00 – 17:45

Panel 3 : Addressing the labour market challenge – **Jan Willem OOSTERWIJK**, Secretary General of Ministry of Economic Affairs of the Netherlands and Chairman of the EU Economic Policy Committee

The impact of ageing populations will shortly impact on labour markets via an older and smaller work force with fewer young people entering the labour force. To address this challenge, greater numbers of older workers and women will be needed in the economy. Increasing employment rates among such groups may require fundamental changes in peoples attitudes to all aspects of working life such as combining work and family life, expectations about retirement age, patterns of moving into retirement and seniority rules in work places. Moreover, many retirement systems today do not provide the appropriate incentives to encourage longer and more flexible working lives. What reforms are need to tax, pension and other benefit systems to address the labour force challenges?

Labour Shortages and the Modern Social Contract

Jean Phillipe COTIS, Chief Economist, OECD

Strategies of EU Member States to raise employment rates of women and older workers

Odile QUINTIN, Director General, European Commission Directorate General for Employment and Social Affairs

Recommendations of the Commission on Global Ageing: towards a New Paradigm of Productive Ageing

Frank FIELD, MP, Chairman, CSIS Commission on Global Ageing