## INVESTMENTS IN HEALTH ARE VITAL FOR SOCIAL AND ECONOMIC PROSPERITY

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*Paola Testori Coggi, Director-General of the European Commission's Health and Consumer Directorate, presented the Commission's initiative “Investing in Health” at the European Health Forum Gastein. This sees sustainable health systems as key in creating growth and in building capacity to meet the challenges of economic crisis and demographic change. Smart investments in health enable people to lead productive and active lives and play a significant part in fighting poverty.*

**Bad Hofgastein, 2 October 2013** – “Health is a value in itself and a crucial factor in advancing economic growth,” said Paola Testori Coggi, Director-General of the European Commission's Health and Consumer Directorate (DG SANCO), on presenting the Commission initiative “Investing in Health” at the European Health Forum Gastein (EHFG). “Targeted investments in people's health and in European health systems are vital for social prosperity and the productivity of the labour force. It is clear from the Annual Growth Survey for 2013 that the health sector can create jobs and make a major contribution to the promotion of social inclusion. This demonstrates that investing in health is a key element in the Europe 2020 strategy to achieve smart, sustainable, and inclusive growth”, she added.

„Resilient and Innovative Health Systems for Europe” is the slogan for this year's EHFG. More than 550 participants from some 45 countries are attending Europe's most important health policy conference in Bad Hofgastein to exchange views on key issues affecting European health systems.

Investing in health must target three main areas, said the Director-General: “First, we need to implement reforms to ensure sustainability and cost-effectiveness in European health systems. This is essential if they are to withstand the challenges of the economic crisis, demographic ageing, and the increase in chronic disease in Europe, as well as the associated increase in care needs, and the costs of technological development. Secondly, investment in people's health enhances Europe's human capital and is therefore an engine for productivity, job-creation and economic progress. Finally, measures to reduce inequalities in health status and in the access to health care also help to combat poverty and social exclusion.”

**Investing in sustainable health systems**

The Commission's paper “Investing in Health” stresses the connection between cost-effective spending and innovation in ensuring the sustainability of health systems. The Director-General said that according to OECD estimates, reforms which increase cost-effectiveness of care could yield savings of up to 2 % of GDP by 2017.

“Health spending accounts for nearly 15 % of total public expenditure,” said Director-General Testori Coggi. “Especially in times of economic crisis, and dwindling resources, decision-makers must not give in to short-sightedness, which will have negative long-term consequences.” Greater cost effectiveness could, for example, be achieved by reducing unnecessary hospitalisation and cutting the number of unnecessary specialists, while strengthening primary healthcare, promoting generics, and preventive medicine and health care.

**Investing in health as human capital**

Director-General Testori Coggi went on: “Investments in health are an investment in European human capital and pay dividends in terms of jobs and productivity. Poor health leads to productivity losses. Absenteeism represents up to 3 to 6 % of total working time. About a quarter of the people currently employed suffer from a chronic disease that restricts their daily activities. Close to 10 % of the people left their job mainly for health reasons in 2009. Despite these statistics, only 3% of current spending on health goes towards prevention and health promotion.”

Investments would help to keep people longer, healthier, and more active during their working lives, and would also help realise the health sector's enormous job-creating potential. “By 2020, Europe's healthcare sector might be missing up to eight million jobs. In 2012 there was a fall in the size of the European labour market as a whole, but demand for health professionals is growing. Between 2008 and 2012 the health and social sector has generated almost 1.5 million new jobs,” said DG Testori Coggi.

**Investing in reducing health inequalities**

A third core area of “Investing in Health” is trying to reduce inequalities in health. “Some ethnic minorities and migrant groups are particularly hit by inequalities. Reducing these health gaps is an important step towards strengthening social cohesion and breaking the vicious cycle of poor health and poverty and social exclusion. Inequalities in health always mean a loss of human and economic potential,” said DG Testori Coggi, calling for health concerns to be taken into account in all areas of policy.

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