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Date: 14/10/2023

Pages: 6.

N°18/23

- **EU proposal may accelerate pharma innovation decline, industry group says**
- **EU Social Forum explores how to protect workers' rights in the age of AI**
- **WHO/Europe's 53 Member States adopt historic Resolution to protect and support health and care workers across Europe and Central Asia**
- **Europe's wage rises are aiding recovery but economies face risks**

EU proposal may accelerate pharma innovation decline, industry group says

The 6th of November, *Reuters* published an article discussing how a **major pharmaceutical regulatory overhaul, proposed by the European Commission in April, could potentially lead to a 21% share in global research and development for Europe by 2040**, a reduction by one-third. This would result in an **estimated loss of 2 billion euros (\$2.15 billion) per year in investment**.

The European Federation of Pharmaceutical Industries and Associations (**EFPIA**) says the Commission has not conducted a **competitiveness impact assessment** and if the new rules become law, they would accelerate the negative innovation trend in the EU and hit small and medium-sized enterprises the hardest.

"Any changes to our incentives system would equally affect EU-based and foreign-based companies which bring medicines to the EU and, therefore, it would not put EU firms at a disadvantage," an **EU Commission spokesperson said**.

Medication was the single biggest contributor to the EU's trade surplus, with 235-billion-euro (\$252.13 billion) worth of exports in 2021. The EFPIA said small biotech companies have already moved to the United States and China.

The Commission has proposed shortening the time a new medicine remains patented in a bid to reduce the cost of medicines for its citizens with a faster shift to cheaper generics. The Commission said its proposal would reduce new medicine approval times to 180 days from 400 days. It also includes boosts for small and medium-sized enterprises such a longer period to get data protection in all 27 member states as well as fee reductions or waivers schemes and favorable regulation for rare disease medicines.

Lars Fruergaard Jorgensen, CEO of Novo Nordisk, said that the reduction would not allow a pharmaceutical company to recoup the investment in development as well as the cost of marketing. *"If you chop off, one or two or three years of exclusivity, **it's the peak sales that you take away**. When you launch a product, you have a negative profit contribution because you invest more in marketing, sales...it's really only the last few years that you recoup your investment,"* Jorgensen said.

"Everyone, going forward, will start conducting trials in the U.S....In some cases, they (the medicines) are not going to developed in Europe," Jorgensen said, adding that the U.S. offers a major market after one approval process versus country-by-country in the EU.

Germany, Belgium and France would be the hardest hit by the proposed rules, the EFPIA said citing research by Dolon that it commissioned.

For more information about this, click [here](#).

EU Social Forum explores how to protect workers' rights in the age of AI

The 16th and 17th of November the European Commission is organizing a forum aiming at discussing how artificial intelligence (AI) is dramatically reshaping our world. The Forum in question is going to debate about how these changes are equally profound in the world of work and workers' rights. How can we make sure that even with AI, the world of work remains inclusive, fair and transparent?

The European Commission is taking a collaborative approach to shape the future of work in the age of AI by bringing together business leaders, policymakers and industry experts at the 2023 European Employment and Social Rights Forum.

Shaping the future of work: AI and workers' rights in focus

According to economist David Autor, AI will either reduce inequalities and improve workers' lives, or usher a stark new wave of job replacement, exacerbating income disparities. The determining factor, he says, lies in the way AI is designed.

The European Employment and Social Rights Forum, focusing this year on 'The impact of AI on the world of work', will take place in Brussels and online on 16 and 17 November 2023. Register [here](#). The Link to register to the event will be provided below this article.

The Forum will explore, among others, the ways in which we can harness the true potential of AI, while setting clear rules that uphold job quality and ensure that AI policies contribute to reducing poverty and inequality.



Regulating AI

The Forum takes place in a context where the EU is actively seeking to spearhead the regulation of AI technologies and applications. Many leading players within the AI community are calling for comprehensive legislation to address these challenges, including ethical standards and clear rules on the development and use of AI.

"Europe, together with partners, should lead the way on a new global framework for AI. Our number one priority is to ensure AI develops in a human-centric, transparent and responsible way. Our AI Act is already a blueprint for the whole world," **Ursula von der Leyen, President of the European Commission** said.

In 2021, the European Commission proposed the **AI Act**, the world's first AI regulatory framework. By June 2023, the European Parliament adopted its position on the AI Act and called for safe, transparent, traceable, non-discriminatory, and environmentally friendly AI systems.

There is an urgent conversation to be had about implementing policies to safeguard job stability, working conditions, and privacy. The Forum is an opportunity to discuss ideas, policy options to ensure that legislation guarantees that the technology works for the benefit of workers.

For more information about the article, click [here](#).

For more information about the AI Act, click [here](#).

To register to the event, Click [here](#).

WHO/Europe's 53 Member States adopt historic resolution to protect and support health and care workers across Europe and Central Asia

The 26th of October, Representatives from 53 countries gathered at the **73rd session of the WHO Regional Committee for Europe in Astana, Kazakhstan**, have unanimously adopted a resolution in support of a Framework for action on the health and care workforce in the WHO European Region, covering the years 2023 to 2030.

The framework comes at a critical time when **all countries in the Region are struggling to retain and recruit sufficient numbers of health and care workers with the right mix of skills to meet the growing and changing needs of patients.**



The resolution acts as a foundation to help fix this health workforce crisis and will see WHO/Europe supporting governments in the Region as they implement it over the coming years.

The new Framework sets out 5 key actions that countries can take to protect and support their health and care workers.

Retain and recruit.

This includes policy actions to improve the working conditions of health and care workers, including reducing heavy workloads and excessive working hours, providing more flexibility in contract arrangements and ensuring fair remuneration.

Build supply.

This means modernizing health education and training, including building digital health competencies to create a fit-for-purpose health workforce for present and future health services demands and needs.

Optimize performance.

This includes measures to increase efficiency of the limited numbers of health workers available in the health system. It is about innovative reconfiguration of health services, using digital health technologies, and redefining teams and skill mix so that the actions they perform add value.

Plan.

Health workforce planning is essential for anticipating future needs of the health system and for taking actions to meet them now. Strengthening the capacity of human resources for health (HRH) units and improving HRH information systems can contribute to this.

Invest.

Increase public investment and optimize the use of funds, while making the economic and social case for investing in the health and care workforce.

The adoption of this historic resolution is the culmination of a series of measures spearheaded by WHO/Europe to address the current health workforce crisis.

“We at WHO/Europe now hope that with the adoption of this historic framework countries will be able to tackle the health-care workforce crisis with concrete measures that support their mental health, improve working conditions and make workplaces more attractive for retaining staff, while also encouraging more young people to join the health sector.” said **Dr Natasha Azzopardi Muscat, WHO/Europe’s Director of Country Health Policies and Systems.**

For more information about this article, click [here](#).

Europe’s wage rises are aiding recovery but economies face risks

The 8th of December, the IMF published an article discussing how **Europe can reconcile short-term wage pressures and long-term labor trends with less inflation, with appropriate policies and improved productivity.**

Europe’s economic recovery is getting a much-needed boost from rising wages and higher incomes. But in countries where population aging is shrinking the workforce, policymakers may soon face new challenges. **Short-term wage pressures could combine with longer-term tightness in labor markets to stoke inflationary pressures.** After two years of falling

purchasing power, it's not surprising that Europe's workers are pushing for more pay. Nominal wages rose by 4.5 percent in the euro area and more than 10 percent in other parts of Europe in the first half of this year. Higher wages help alleviate cost-of-living pressures and support economic expansion.

But improved productivity, coupled with tight macroeconomic policies which limit companies from passing on higher costs to consumers, are essential if economies are to afford much higher wages without fanning inflation.

Wage pressures are unlikely to subside any time soon. Statistics show that longer-term trends are already squeezing labor supply (total hours worked). **Demographics and shorter working weeks mean employers face fierce competition to find qualified workers and must pay more to retain them.**

Over the past decade, Europe's labor force participation grew relatively rapidly. Even if this trend continues, the labor supply could decline by 0.1 percent annually over the next five years as the population ages, population growth slows, and the shortening of working weeks continues.

The scope to offset these labor market trends in Europe is limited. Proposals to increase retirement ages further may run into political opposition and shorter work weeks are gaining popularity.

What must policymakers do? There is a fine line between aiding economic recovery and banishing stubbornly high inflation. Central banks must watch for upside risks to inflation and closely monitor wage settlements and their consistency with productivity trends. A marked divergence would be worrisome. The mix of monetary and fiscal policy should remain appropriately tight to bring inflation back to target.

At the same time, structural reforms to increase productivity are becoming critical. Doing so would both lower inflationary labor-market pressures and raise longer-term economic growth potential. **Boosting the labor supply by allowing workers to work more hours, making it simpler to transition between jobs, equipping new generations for future jobs, reskilling workers, and facilitating the integration of migrant workers all have an important role to play.**

For more information about the article, click [here](#).