



15 May 2018

Ministerial Policy Statement

Social Policy for Shared Prosperity: Embracing the Future

OECD Ministerial Meeting on Social Policy

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Montréal, Canada

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We, the OECD Ministers and Representatives responsible for Social Policy, together with our counterparts from Argentina, Brazil, Colombia, Costa Rica, Kazakhstan, Lithuania, and Peru, met in Montréal on 15 May 2018 under the chairmanship of Mr. Jean-Yves Duclos, Minister of Families, Children and Social Development in Canada. The Vice-Chairs were Ms. Effie Achtsioglou, Minister of Labour, Social Security and Social Solidarity of Greece; Mr. José António Vieira da Silva, Minister of Labour, Solidarity and Social Security of Portugal; and Ms. Annika Strandhäll, Minister for Health and Social Affairs of Sweden. The Ministerial meeting was preceded by a High-Level Policy Forum. The Council of Europe, the International Labour Organization (ILO), the International Social Security Association (ISSA), and the World Bank participated in the Policy Forum and Ministerial meeting, as did representatives from the Business and Industry Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee to the OECD (TUAC).

We discussed how efficient and responsive governments can advance inclusive social policies that enhance economic competitiveness and productivity, support resilient social structures, and develop policy approaches that are responsive to changing labour markets and societal dynamics. Our meeting was well-timed to address challenges for social policy arising from globalisation, migration, digitalisation, and population ageing. While regular salaried employment is still the norm for a majority of workers in OECD countries, new forms of employment and discontinuous careers are becoming more frequent, which can expose weaknesses in traditional forms of social protection. There is also a concern in many emerging economies with sizeable informal employment. More than ever, we need social protection systems that bolster well-functioning labour markets, help alleviate poverty, and enhance social inclusion. Social policies and social protection systems are essential to achieving the 2030 Agenda for Sustainable Development, for promoting inclusive and sustainable economic growth and full and productive employment, and for reducing inequality.

We confirm our leadership role in positioning social policies within whole-of-government efforts to foster inclusive growth in our countries. We also confirm the importance of putting people at the centre of social policies. Listening to people's expectations, needs, and concerns when designing and reforming public policy is central to maintaining trust in our social institutions. We welcome the OECD's evidence-based policy analysis, comparable statistics, and recommendations which help us build efficient, responsive social protection systems to meet the changing needs of societies today and into the future.



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Social protection for sustainable and inclusive growth

Building on the insights of the OECD's Inclusive Growth Initiative, we are convinced that social policies can promote more cohesive societies and sustainable and inclusive growth. Equal access to opportunities will improve positive outcomes across the population and improve the strength and sustainability of economic growth. Social protection can contribute to reducing inequalities for more prosperous societies.

Recent OECD work has documented how inequalities in education, health and employment interact and compound over the life course. To address them, we need to take a comprehensive, whole-of-government policy approach that takes a life-course perspective and involves key stakeholders. We are committed to working in close coordination with our fellow Ministers in all relevant areas. We recognise the importance of mitigating entrenched inequalities through investments in early-life interventions and support for school-to-work transitions; fostering opportunities among the working-age population; and addressing inequality in old age through financially and socially sustainable health, pension, and long-term care policies. We welcome the OECD's Preventing Ageing Unequally Action Plan and the new OECD Jobs Strategy and we will work to implement them according to our countries' circumstances.

Gender gaps persist in social and economic outcomes across countries. We recognise gender inequalities not only as a human rights challenge but also as a barrier to inclusive growth. To reduce gender inequalities, we affirm the policy principles outlined in the 2013 OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship, to which our countries are signatories. These include but are not limited to promoting policies that reconcile work life and private life and working conditions, including tackling gender disparities in the uptake of paid and unpaid work; increasing the representation of women in decision-making positions; eliminating the discriminatory gender wage gap as well as reducing the gender gap in entrepreneurship activity. We also recognize the continued challenges faced by historically disadvantaged groups in our countries, including racial and ethnic minorities; indigenous communities; migrants, refugees, and other displaced persons; lesbian, gay, bisexual, transgender, and intersex (LGBTI) people; older persons; and people with disabilities. We embrace diversity in our societies as a strength, not a weakness, and pledge to promote inclusivity for the benefit of our economies and societies overall.

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Putting people at the centre of social policy

Despite living in an age of open digital communication, we are concerned that many people are not being heard and are feeling insecure about their future. We want to ensure that social policies, programmes, and services address the needs and expectations of beneficiaries. Consulting with individuals and stakeholders to gather perspectives and user feedback can improve the design, implementation, and evaluation of initiatives in view of advancing people-centred policies that help restore trust in government and improve outcomes.

We recognise the importance of building and strengthening constructive engagement and dialogue with social partners and civil society. This is particularly important given the changing nature of employment and the growing dissociation of dependent employment and social protection. Social partners and other key stakeholders should be consulted in the design, evaluation, and reform of social protection.

We acknowledge the importance of listening to people through the use of surveys, online engagement, focus groups, and various forms of consultations with stakeholders to better understand the changes in risks people face and what they expect from their governments and social policy. We aim to validate this stakeholder engagement through Ministerial and stakeholder review processes to help us incorporate and mediate people's views effectively. The digital transformation of our economies and societies opens new opportunities to gather better data, construct higher quality statistics, and information that can help make policy design more agile, flexible and responsive to users concerns and priorities. We acknowledge that governments should protect personal data and use them according to the laws and regulations in each country and in accordance with their international legal obligations, as applicable.

Embracing the Future: Modern social policies for the new world of work

We recognise that globalisation and technological change are reshaping the world of work and the relationship between workers, employers and social protection systems. Consequently, many of our social protection systems need to be modernised to provide flexible solutions and support to all workers including the self-employed and those with non-standard contracts. We recognize that workers who move between jobs, occupations, contracts and countries need portability of their benefits for which they have contributed. At the same time, we need continued efforts for the inclusion and activation of people who are part of disadvantaged groups. Social policies need to support all groups who face barriers to labour market participation, formal employment, and engagement in broader community life.

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We exchanged experiences on the many novel social policy approaches that countries are using to extend coverage and ensure portability of social benefits, including individual account schemes, universal basic income pilot programmes, and using new technological tools to enable more efficient service delivery, administration and identification of needs. We discussed how to incorporate non-standard workers into social protection systems and better tailor social protection programmes to their needs and contributory capacities. We discussed the promise and challenges associated with individualized approaches, universal programmes that can help close coverage gaps, and targeted solutions for excluded or vulnerable groups. Our discussion allowed us to debate the advantages and challenges of new approaches to social protection and the need to be mindful of fiscal sustainability, poverty alleviation, incentives, labour market participation, and mutual obligations.

Public and private social innovations, including those in the fields of social finance, social enterprises and new technology for social policy administration, offer new perspectives on the financing, design, reform, and implementation of social programmes. We discussed the need to research, test, and evaluate these new approaches and the impact on existing social infrastructure, and we ask the OECD to facilitate the continued dialogue on these policies.

To better prepare for the future, social policies must be able to adapt to changing social and economic risks and opportunities. Regularly assessing and evaluating social programmes helps future-proof social policies and allows people to meet current and future challenges. We ask the OECD to continue to collect and analyse data on new social risks and opportunities and provide advice for the design and reform of comprehensive policies that include engagement and collaboration with social partners, stakeholders, and civil society.

We recognise that the rising cost of housing, which is outpacing inflation in many countries, is a growing concern for many people today and that housing typically constitutes a household's largest expense. Housing policy is often separate from the design and delivery of other social programmes and we call on the OECD to support us in advancing better coordination of housing policy as part of a comprehensive approach to social protection.

We recognise the need to use good-quality data, such as those collected by the OECD, to understand better how changing labour markets will affect future social needs. The aftermath of the financial and economic crisis has demonstrated the need for counter-cyclical social spending and we recognise the importance of creating the fiscal space to allow stabilizing mechanisms to work properly, intervening swiftly to protect the most vulnerable in economic downturns, and improving the resilience of our economies. We are committed to exploring options for improving the effectiveness and coverage of social protection systems and ensuring the development in some of our countries as well as the long-term fiscal sustainability of these programmes.

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Exchanging best practice through international cooperation

International cooperation is helpful in building social protection systems that foster inclusive growth. We aim to draw from global best practice, both at the national and local level, and continue the fruitful exchanges we had at this Ministerial meeting. We look forward to continued OECD work on social policy to strengthen our understanding of how to build inclusive societies and labour markets and encourage further discussion related to the OECD's Inclusive Growth Initiative.

We remain committed to cooperate closely among ourselves and to engage with developing economies; developing economies to build a global understanding around inclusive and effective social protection systems. We will share our experiences and learn from new approaches applied outside of the OECD area to ensure that all countries can benefit from lessons learnt in social policy reform.

The OECD should continue to work with the ILO, ISSA, the Council of Europe, the World Bank, and other international organisations to advance our understanding of how to build effective, responsive, and forward-thinking social policies.



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Annex A. Annex to the Ministerial Policy Statement

Future OECD work on social policy

We, the OECD Ministers and Representatives responsible for Social Policy, invite the OECD Employment, Labour and Social Affairs Committee (ELSAC) to continue to provide us with valuable comparative data and rigorous analyses of social policies. The OECD's work is important in helping us design effective, evidence-based social policies which are responsive to people's needs and preferences. We confirm that the OECD should take a life-course perspective in its research with the view of advancing social policies that can help reduce inequality and open opportunities at important life stages.

We therefore invite the ELSAC, in collaboration with other relevant bodies, to consider carrying out work in the following areas, subject to resources and in line with the usual budgetary and approval processes of the Organisation:

- Incorporate citizen and user feedback in order to co-create inclusive, responsive, and forward-thinking social policies that meet people's needs.
- Adopt a life-course perspective in the design and implementation of social policy, so that people have the necessary foundation to live fulfilling lives from infancy to old age.
- Promote gender equality and diversity (in its various forms) in the planning, implementation, and evaluation of social programmes, in order to promote inclusive outcomes and advance equality of opportunity.

With these priorities in mind, we invite ELSAC to consider carrying out future work in the following areas, subject to resource availability:

Social Needs Today Programme. In order to map social risks and needs, we encourage the OECD to use innovative approaches to increase the quality of its data and statistics, including cross-national surveys and stakeholder consultations, to understand risk hierarchies and trust in public policies. The Social Needs Today Programme should develop national and comparative reports that integrate labour force and household survey data, administrative data along with surveys that gather information on public perceptions with a view to understand complex social issues today and anticipate the concerns of tomorrow.

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Social Data for Tomorrow Programme. The OECD's comparative advantage in data collection and analysis is essential for designing inclusive, efficient, and forward-looking social policies. OECD should work with countries to develop data to help us assess how different life events can change the trajectory of women's and men's lives. Accessing and using existing data sources more effectively – for example by linking administrative and survey records across Ministries and agencies – can help countries develop a more comprehensive overview of current and upcoming social needs. We invite the OECD to draw on new research and technological tools, behavioural insights, and rigorous evaluation strategies in their work to provide sound policy advice and recommendations to member countries on complex and sensitive issues.

Reconnecting Policy with People. The OECD should draw on the robust evidence base described above to create "how to" country reports to assess country specific-challenges and identify possible policy approaches to address the issues identified in the Social Needs Today programme.

We also invite ELSAC, in collaboration with other relevant bodies, to continue work in the following areas, subject to resource availability:

Addressing inequality and promoting social mobility. Inequality of income and opportunity, social mobility, and the resilience of the middle class and lower-income people remain pressing issues. Access to good-quality and affordable housing – typically the largest cost borne by households – is an increasingly important indicator of inequality and social inclusion. We call on the OECD to continue its work in these topics, including the OECD's Income Distribution Database, the OECD's analysis of poverty and social exclusion, the OECD's analysis of redistribution policy, and the OECD Affordable Housing Database.

Enhancing the well-being of families and children. Many children in our countries do not get a good start in life, with negative long-term consequences that follow them through adolescence and into adulthood. We call on the OECD to continue its substantial work on children and family policies, including the OECD Family Database, the work on unpaid care, and the programme of work on child poverty and early learning and childcare. Youth skills development and employment should remain a priority for ongoing research.

Promoting diversity and reducing gender inequality. Social inclusion – in all forms – is important. Yet some groups continue to face systemic barriers to advancement, including people with disabilities; racial and ethnic minorities; lesbian, gay, bisexual, transgender and intersex (LGBTI) people; and women. We welcome the OECD's Gender Strategy and the OECD's new work on how policies can benefit groups that have historically experienced discrimination.

Adapting social protection systems to meet demographic challenges. Population ageing and increased life expectancy, low fertility, and insufficient contributions to pension systems

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continue to challenge social protection systems. We encourage the OECD to continue its work on the financial and social sustainability of pension systems, and how to facilitate longer working lives.

We look forward to reviewing progress on this work at the next OECD Social Policy Ministerial meeting.