



New Frontiers for Social Policy: Investing in the Future

OECD Ministerial meeting

14 February 2025

Chairs' statement

Chairs' Statement of the meeting of the Employment, Labour and Social Affairs Committee (ELSAC) at Ministerial level, 14 February 2025, on "New Frontiers for Social Policy: Investing in the Future"

1. On 14 February 2025, Ministers of OECD Member countries, the European Union and interested participating non-Members came together at the OECD headquarters for the meeting of the Employment, Labour and Social Affairs Committee (ELSAC) at Ministerial level, co-chaired by Portugal and Spain, with Belgium, Canada and Ireland as vice-chairs, under the broad theme "New Frontiers for Social Policy: Investing in the Future".
2. Social policy is in transition and is reaching new frontiers. Social protection needs to respond to global mega-trends, some of which are well-known and predictable, while others present newer and more recent challenges and uncertainty. Social programmes have been put to the test in responding to recent events, such as the economic and social impacts of the COVID 19 pandemic or the energy and cost-of-living crisis as well as digital and green transitions, and demographic change.
3. Overall, social protection systems in OECD countries rose to these challenges and performed remarkably well in protecting people from the worst fall-out of these crises. Now it is time to look ahead, learn from our experiences and the successes and failures of the crisis management, and lead actions to promote future proof social protection systems ensuring that they can respond to trends and future challenges promoting inclusive societies. To this end, the social partners and civil society have a major role in contributing to the design and delivery of social policies, in particular for the most vulnerable groups in society.

Fertility, longevity and the demographic transition: the role of social policy

4. Ministers considered that population ageing is one of the key trends their countries have been addressing in recent decades. But with baby-boomers retiring and rising needs for health and long-term care of older people, policy makers are feeling the impacts more strongly. Ministers agreed that social protection systems need to meet greater demands on retirement and care systems with limited resources, due to expected shrinking working-age populations. While OECD non-member countries currently have younger populations, they face accelerated demographic ageing due to simultaneous increases in life expectancy and sharp declines in fertility. This compresses the demographic transition into a shorter timeframe than experienced by OECD members.
5. Ministers considered the complex drivers affecting fertility decisions: growing socioeconomic instability, geopolitical insecurity, climate-related concerns, rising housing costs, career uncertainties, evolving work-life preferences, and shifts in cultural and societal attitudes about parenthood. They noted that addressing these interconnected factors requires comprehensive policy responses and stressed the need for supporting individual reproductive choices while ensuring economic and social security for families.
6. A common challenge in almost all OECD countries is the dramatic decline in fertility rates. Ministers analysed several options to enable better reconciliation of work, personal and family life, offer access to affordable, inclusive, and good-quality childcare and education, design parental leave systems that encourage better sharing between parents, ensure equal opportunities and restructure social protection and tax systems to ensure economic security for people with children. But there are also new trends influencing decisions around child-rearing. Housing costs, in

particular, have increased so much that more young adults than in the past continue to live with their parents, making it difficult for them to start their own families.

7. Ministers reiterated that population ageing makes it necessary and urgent to review their social protection systems, notwithstanding that subsequent reform is complex and often difficult to implement. In many OECD countries, households with children and older persons, in particular women and those with disabilities, are at higher risk of poverty and social exclusion. It was acknowledged that without large investments in formal long-term care services, there is increased reliance on informal caregiving. This perpetuates gender inequalities in the labour market and pension systems, as women continue to bear a disproportionate share of unpaid care responsibilities.
8. Ministers highlighted the importance of the OECD undertaking work to address population ageing and care needs. This includes developing policy recommendations for reforming pensions, promoting the employment and employability of older workers, and meeting their care needs, in order to help address the demographic transition. It also includes advancing research on policies to improve workforce development, professionalisation, good working conditions and access to social protection for care workers. The need to strengthen data collection and analysis of ageing and care needs through the life cycle was underlined, including with data disaggregated by relevant socioeconomic characteristics.
9. Ministers reiterated the critical role of the OECD guidance in developing policies that: address barriers to family formation, enhance access to employment opportunities and career progression for both parents, strengthen work-life balance and promote equal sharing of parental and care responsibilities.

Digitalisation of Social Protection: innovation in service delivery

10. Ministers debated the importance of strengthening the preventive role of social protection, closing gaps in programme coverage, and enhancing systemic resilience to shocks, crises, and transformations, which will require coordination across different policy areas. This requires strengthening the access and coverage of social protection, namely ensuring that all people are adequately covered across the life cycle, including for unexpected events in particular in countries with large informal sectors, and making eligibility criteria reflective of (and responsive to) needs. In most countries, there is still a substantial degree of non-take up of key social programmes which needs to be addressed. The importance of continuing to conduct – and improve upon – population-based measurements to estimate (unmet) need for social programmes was considered. Ministers emphasised the importance of improving data collection and methodologies to better understand barriers to access and inform policy responses.
11. Many barriers to the full take up of social programmes – including complex information, hassle costs and stigma – can be addressed through better use of linked administrative data and new digital technologies, including artificial intelligence (AI) systems. But to seize these opportunities, the associated risks must be addressed, including by ensuring fairness, explainability, accountability and privacy protections, and by guaranteeing and facilitating access for all users. Some ministers noted that the ongoing OECD Risks that Matter Survey, an outcome of the 2018 OECD Social Policy Ministerial, offers insights into people's expectations for social programmes and illuminates barriers in access to social protection.
12. Ministers emphasised the importance of enhancing regular monitoring and evaluation activities to assess opportunities and policy reforms including by assessing their distributional impact, streamlining programme access using integrated administrative data and AI-enabled technologies, and reducing administrative barriers while maintaining digital inclusiveness. Ministers recognised

that digital technologies, including potentially AI, can lower costs, facilitate access to, and improve the outcomes of social programmes for beneficiaries if they are well designed and implemented, and if the associated risks are addressed, including by ensuring fairness; equal access for all, including those who are technologically marginalised; explainability; accountability; and the protection of privacy and data.

13. Ministers reiterated the importance of OECD work to help improve social programme delivery with technological innovation and data and developing policy orientations for adequate and sustainable social protection policies and measures to support workers through the digital and green transitions; and the challenges linked to the ongoing and future trends. This includes collecting and sharing good practices on secure data, ensuring full access particularly those involving personally-identifiable data, to facilitate the application of digital tools, technology, and comprehensively linked datasets for more efficient programmes. The importance of advancing peer learning on the use and procurement of digital tools and AI technologies in social protection was highlighted. Ministers underlined that implementation must ensure safe, fair, and ethical use of these tools while improving programme efficiency to include a human-centred and rights-oriented technology.

Sustainable Financing of Social Protection

14. Ministers acknowledged the key role of social partners and civil society in contributing to the design and delivery of social policies that are essential in fighting against poverty and social and economic exclusion. It was considered that financial pressure on social spending is rising and the need to strengthen the preventive role of social protection systems was emphasised in the context of the megatrends, including population ageing and shrinking working-age populations in many countries, which are resulting in lower public revenues, while the number of pensioners and recipients of long-term care who need support is growing. Low levels of participation and persistent labour informality and non-standard forms of employment in some countries pose additional challenges for social protection contributions, coverage and financing.
15. Ministers noted that well-designed social investments may generate positive future returns for human capital, productivity, equity, inclusive economic growth, and social progress, and that more work needs to be done on measuring and modelling of returns on social investment. Social investments can include policies for skills development across the life course, well-being, social inclusion, addressing child poverty and promoting child well-being, accessible and high quality services for all, labour market activation, career pathways, taxes/benefits that 'make work pay', work-life balance, flexible workplaces, the equal sharing of domestic and care responsibilities between parents, the prevention of social problems through early intervention, and the professionalisation of care work and investments in formal long-term care infrastructure with the aim of promoting more inclusive and sustainable societies.
16. Ministers stressed the importance of the OECD advising on efficient and sustainable social protection financing strategies, taking into consideration tools such as the OECD Tax-Benefit Model, the OECD Youth Policy Toolkit and the Toolkit to Combat Homelessness. The need for advice on effective social investment policies that enhance economic growth and well-being along the life-course was underlined.
17. Ministers welcomed the first meeting of the Network of Senior Social Protection and Budget Officials, to engage in a dialogue and exchange of national experiences on the financing of social protection and promotion of social investment.
18. Finally, Ministers noted the importance of developing social protection and labour market strategies to advise countries that wish to address the implications of the green and digital transitions, including energy poverty, and promote climate-resilient livelihoods; manage the socioeconomic

impacts of climate change and mitigation policies; the effects of digitalization and impact of new technologies; and provide targeted support when necessary.

Child wellbeing and disadvantage: a life course perspective

19. Ministers considered persistent and increasingly divergent inequality in OECD countries, which can translate into unequal opportunities, hinder social mobility, and affect economic prosperity and social cohesion. People's opportunities and lifetime outcomes are significantly influenced by factors beyond their control, including disabilities, health and mental health conditions, experience of trauma or abuse, socioeconomic background, geographic location, coming from an immigrant background, race and ethnicity, indigeneity status. These factors can create compounded barriers to social mobility and economic opportunity, particularly when combined with systemic inequalities.
20. In addition, due to their family background, children from disadvantaged households tend to face higher hurdles that prevent them from realising their full potential in life. In many countries, the place where one is born, grows up and lives has a disproportionate impact on socio-economic outcomes and well-being. There was broad agreement on the importance of tackling inequality of opportunities by strengthening early interventions, particularly through ensuring universal access to good quality essential services, including high-quality healthcare, education and training, social support to families, and digital infrastructure, with particular attention to addressing disparities in rural areas and low-income communities.
21. Ministers highlighted the importance of OECD work to promote social mobility and well-being. This includes producing further analyses of social mobility, including by using de-identified administrative data and web-sourced "big data" where relevant. It also includes assessing social mobility using a life-course approach, including by focusing on children, as children's socioeconomic environment plays an important role in influencing their future opportunities and outcomes.
22. Specifically, a holistic analysis of poverty and social exclusion risks was welcomed, including child and in-work poverty, as was the sharing of effective policy options to address these risks. Ministers reiterated the importance of pursuing work on trends in, and drivers of, social and occupational mobility, including through the OECD Observatory on Social Mobility and Equal Opportunity, to inform the design of more effective social protection systems. The importance of the OECD advancing research on policy recommendations to tackle the lack of affordable and good-quality housing and support countries in preventing and reducing homelessness was stressed. Ministers underscored the importance of promoting social dialogue and developing relevant recommendations and practical tools on how to enable workers' mobility.
23. Ministers highlighted the importance of finalizing the development of the draft OECD Recommendation on Promoting Child Well-Being in Times of Profound Change.

Conclusions

24. There was broad agreement among ministers on the importance of the OECD undertaking work to support countries in navigating these new frontiers for social policy and investing in the future.
25. Ministers emphasised the need for a comprehensive and forward-looking approach to social protection that addresses current challenges while preparing for future needs. The discussions highlighted several key priorities: strengthening the preventive role of social protection systems; ensuring their adaptability to demographic changes; improving digital service delivery while maintaining accessibility and privacy with a human-centred and rights-oriented technology;

securing sustainable financing mechanisms; and enhancing child well-being and social mobility. They specifically highlighted the importance of addressing gender-based inequalities in social protection systems and ensuring that reforms contribute to greater gender equality and a more inclusive societies in our countries.

26. Ministers particularly stressed the importance of developing integrated and inclusive approaches to face the challenges of the digital, green, and demographic transitions, development, and persistent and increasingly divergent inequalities, connecting different policy areas. They acknowledged that successful social protection systems must balance immediate needs with long-term sustainability, while ensuring inclusivity across all segments of society. The need to strengthen gender-responsive data collection, analysis, and evaluation was emphasised as crucial for evidence-based policy making.

27. Looking ahead, Ministers reiterated that:

- Social policies are key to support economic growth and ensure sustainable, equal, and inclusive societies.
- The OECD should continue to support member countries in developing and implementing social protection policies that are both responsive to current challenges and resilient to future shocks. This includes providing guidance on sustainable financing strategies, developing policy recommendations for various transitions (digital, green, demographic), and promoting social investment approaches that generate positive returns for human capital, productivity, and inclusive economic growth.
- Social partners should keep playing a decisive role in social policy making.

28. The exchange of experiences and perspectives has highlighted both the common challenges we face, and the innovative solutions being developed across OECD.

29. As co-chairs of this Ministerial Meeting, we conclude that the discussions have demonstrated a strong shared commitment to strengthening and future-proofing our social protection systems to face inequalities and the ongoing and future challenges.

