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COUNCIL

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**PREPARATION OF A MEETING OF THE EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS
COMMITTEE (ELSAC) AT MINISTERIAL LEVEL**

Note by the Secretary-General

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PREPARATION OF A MEETING OF THE EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS COMMITTEE (ELSAC) AT MINISTERIAL LEVEL

Introduction

1. At the meeting of the Working Party on Social Policy (WPSP) in October 2009, Delegates agreed to recommend to Council to hold a meeting of the Employment, Labour and Social Affairs Committee (ELSAC) at Ministerial level in 2011. ELSAC reaffirmed this decision and delegated the preparations to the WPSP. Funding for the preparation of the ministerial was anticipated in the PWB for 2009-2010. The purpose of this note is to provide the background and motivation for this proposal to Council and to seek Council's agreement on the principle of holding the ministerial, the date, the theme, participation, etc.

Date and Venue

2. It is suggested to hold the Ministerial meeting in the OECD Conference Centre. Possible dates are 2-3 May 2011. There are several reasons why this timing seems particularly appropriate.

3. First, the 2009 Ministerial Council Meeting called on the OECD to increase its efforts towards building a fairer, more inclusive and stronger world economy. This message will also play an important role for the events planned in the period of celebration of the OECD's 50th anniversary (from December 2010 to September 2011). A Social Policy Ministerial meeting in spring 2011 could address fairness and inclusiveness in various ways; its results would not only be an important output in the context of the OECD's 50th anniversary, but could also feed into the discussions at the Ministerial Council Meeting in 2011.

4. Second, the meeting of OECD Employment and Labour Ministers in September 2009 stressed the importance of ensuring appropriate safety-nets for the unemployed and low-income families as the negative employment impacts of the crisis are expected to remain significant over an extended period of time.¹ Ministers agreed to keep this situation under continuous review and to help ensure that social assistance benefits are serving as many an adequate income support for those who need it. Such review has become even more important as member countries are entering a phase of fiscal consolidation. Given this background, a review of the situation of social safety nets in spring 2011 appears well-timed.

5. Third, Ministers would be able to base their discussions on a number of reports which will be completed by end-2010 and in early 2011. Follow-up work to *Growing Unequal?* on the causes of inequality, a report on income inequalities and the role of labour market and social policies in Brazil, China, India and South Africa, the 2011 issue of *Society at a Glance* which will include data and subjective measures for the five countries of enhanced engagement, as well as the results of new work on families and children (*Doing Better for Families*) will be available as background inputs for the meeting.

¹ See the Final Communiqué of the meeting of OECD Employment and Labour Ministers (DELSA/ELSA/MIN(2009)6).

Choice of theme, organisation and length of the meeting

6. Following the discussion at the Working Party's meeting in October 2009 and subsequent comments from Delegates, the proposed title theme is "**Building a fairer future: the role of social policy**".

7. The meeting would have 3 sessions and last for one and a half days. The Policy Forum on income inequalities would precede the Ministerial meeting and be open to invited stakeholders as well as Ministers and Delegates. In addition, several member countries have commented in favour of holding a working lunch or dinner.

Chair and bureau of the Ministerial meeting

8. The **Bureau** will consist of three Member countries, a Chair and two Vice-Chairs. Germany has nominated the Minister of Labour and Social Affairs, Ms Ursula von der Leyen, as **Chair** of the Ministerial. Consultations with member countries are underway to nominate the two Vice-Chairs. The results of these consultations will be reported to Council for decision at a future session.

Possible structure of the Ministerial meeting

9. Following discussions in ELSAC and WPSP, three issues are proposed for the agenda of the Ministerial meeting: (i) the social policy response to the crisis, including integration of services to address multiple risks of extreme poverty; (ii) doing better for families and children; and (iii) intergenerational burden-sharing and solidarity in light of crisis-related and longer-term demographic challenges. A fourth issue, how best to reduce income inequalities, will be discussed at the Policy Forum which would precede the Ministerial.

10. The sessions could be structured in the following way:

- *Session 1* could be devoted to a discussion of *social safety nets*. Ministers could exchange experiences on which policies have proven most successful in OECD countries and in the five countries of enhanced engagement to address the social impact of the crisis. This could be followed by a discussion of the social policy stance in the medium- and longer term, taking into account the pressures of fiscal consolidation and the implementation of national exit strategies. The discussion could also cover the *organisation of integrated service delivery for vulnerable groups*. Ministers could exchange experiences on how best to organise efficient social services, including the involvement of not-for-profit organisations, to address the multiple risks of extreme poverty. Questions to be addressed in this session could include whether the priorities of social policy have changed as a result of the crisis, how the role of social protection systems as a foundation for growth can be enhanced in OECD countries and in emerging economies, how the quality of services and the efficiency of service provision can be increased and how hard choices towards ensuring financial sustainability have been and are being made by governments.
- *Session 2* could be focused on removing the *barriers to work and family formation*. This session would provide the direct follow-up to the 2005 Social Policy Ministerial by discussing the Secretariat's up-dated findings on good practices in family-friendly policy design. Ministers could exchange experiences on the balance and timing of policy tools, including innovative approaches that have been developed in emerging economies. The discussion could focus on how different approaches and combinations of fiscal measures, cash transfers and in-kind benefits can affect outcomes for families with children, and on policy measures to remove the multiple barriers to female employment present in many OECD countries and in emerging economies. The discussion

could also cover issues such as policy responses to fertility patterns, barriers to family formation, and changing family structures, such as more sole parents and reconstituted families. This session would have a strong focus on gender equality, given that family and care responsibilities are still taken on much more frequently by women than by men, affecting women's careers, earnings and future pension entitlements.

- In *Session 3*, Ministers could take a broader, longer-term view on *the future of intergenerational solidarity* in the light of the worldwide trend of population ageing. They could consider how to design sustainable financing strategies to balance public support for young, working-age and old family members and how to link the design of social protection systems to employment policies for the different age groups in OECD countries and emerging economies which are ageing rapidly. Ministers could discuss ways to cut child poverty and prevent pensioners' poverty from rising again, drawing on recent OECD work (*Pensions at a Glance, Doing Better For Children*), as well as new work on families and children (*Doing Better for Families*). Discussions could also include the current and future role of unpaid family caregivers, the economic, social and health impacts of caregiving and how policy can address these challenges.
- If a working lunch were included in the Ministerial agenda, there would be different options for discussion. One issue that was favoured by several countries during discussions in the Working Party was child well-being, with a focus on how to give children the best start in life.
- The Policy Forum could have as a theme "*How to respond to pressures on the income distribution?*". The aim of the Forum would be to identify which policies work best to better share the benefits of economic globalisation, how the middle class is being affected by changes in the income distribution and which measures in the fields of social, labour market, education and training and fiscal policies are best equipped to achieve redistributive objectives in OECD countries and in emerging economies, taking into account the particular challenges facing economies with large informal sectors.

Participation

Non-Member Countries

11. Ministers from Accession and Enhanced Engagement Countries would be invited to the Ministerial and encouraged to play an active role as they already do in ELSAC and the WPSP.

International Organisations

12. It is recommended that the International Organisations that are regular observers in ELSAC (ILO, ISSA, Council of Europe) also be invited as Observers. It is anticipated that they will play a prominent role at the Policy Forum.

Stakeholders

13. ELSAC and the WPSP will discuss the appropriate involvement of BIAC, TUAC and other stakeholders.

Inputs and Outcomes

14. It is envisaged that the documentation for the Ministerial will consist of:

- Analytical reports on the themes of the Ministerial and the Policy Forum (*Doing Better for Families, Causes of Inequality, Social Policy Responses to the Crisis*);
- Main issues paper to guide the discussions among ministers;
- 4 background documents for each of the Ministerial sessions and the Forum ;
- A Communiqué.

15. An important outcome expected from the Ministerial is to obtain guidance from Ministers on future work on social policy that they would like the Organisation to undertake in order to help inform, design and evaluate efficient policies to address economic, social and demographic challenges for social policies.

16. Through its EDG, the WPSP will also negotiate a draft Communiqué which may well include a number of orientations for future OECD work. It is proposed that the **Communiqué** be endorsed by Ministers at the Ministerial.

Proposed Action

17. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document C(2010)86;
- b) agreed that the Employment, Labour and Social Affairs Committee shall organise a meeting of Social Policy Ministers at the OECD Headquarters in Paris on 2-3 May 2011;
- c) agreed to the nomination of the German Minister for Labour and Social Affairs, Ms Ursula von der Leyen, as Chair of the meeting;
- d) agreed to the proposed themes of this Ministerial and endorsed the main lines of the draft agenda, as set forth in paragraphs 9 and 10 of C(2010)86;
- e) agreed to invite Ministers from Accession and Enhanced Engagement countries to participate in the Ministerial;
- f) agreed to invite, as observers at the Ministerial, the International Organisations which are regular observers to the Employment, Labour and Social Affairs Committee, namely the International Labour Organisation, the International Social Security Association, and the Council of Europe;
- g) agreed to return, at a next session, to the preparation of the Ministerial, including the designation of the Vice-Chairs of the meeting, and the documentation prepared for the meeting, and the involvement of BIAC, TUAC and other stakeholders.