

262/2016 - 21 December 2016

Social protection in 2014

28.7% of EU GDP spent on social protection

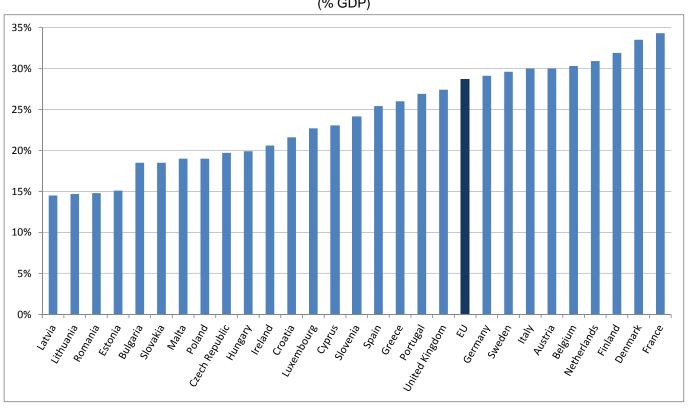
Highest ratios in France and Denmark

Since 2011, social protection expenditure in the **European Union** (EU) has increased slightly, from 28.3% of GDP in 2011 to 28.7% in 2014, according to data from **Eurostat**, **the statistical office of the European Union**. In 2014, the two main sources of funding of social protection at **EU** level were general government contributions from taxes, making up 40% of total receipts, and social contributions at 54%.

The **EU** average continued to mask major disparities between Member States. In 2014, social protection expenditure represented at least 30% of GDP in **France** (34.3%), **Denmark** (33.5%), **Finland** (31.9%), the **Netherlands** (30.9%), **Belgium** (30.3%), **Austria** and **Italy** (both 30.0%). In contrast, social protection expenditure stood below 20% of GDP in **Latvia** (14.5%), **Lithuania** (14.7%), **Romania** (14.8%), **Estonia** (15.1%), **Bulgaria** and **Slovakia** (both 18.5%), **Malta** and **Poland** (both 19.0%), the **Czech Republic** (19.7%) and **Hungary** (19.9%).

These disparities reflect differences in living standards, but are also indicative of the diversity of national social protection systems and of the demographic, economic, social and institutional structures specific to each Member State.

Social protection expenditure in the EU Member States, 2014 (% GDP)



Social protection expenditure per capita varies substantially across Member States

In 2014, social protection expenditure per capita in PPS (Purchasing Power Standards), which eliminates price level differences between countries, showed large differences between EU Member States. After **Luxembourg** (see country note), the highest expenditures per capita were recorded in **Denmark**, the **Netherlands** and **Austria** at around 35% to 40% above the EU average, followed by **Germany** and **France** at around 30% above the average, as well as **Belgium**, **Finland** and **Sweden** at around 20% above. The lowest spending per capita was registered in **Romania** at more than 70% below the EU average, followed by **Bulgaria** and **Latvia** (between 65% and 70% below the average).

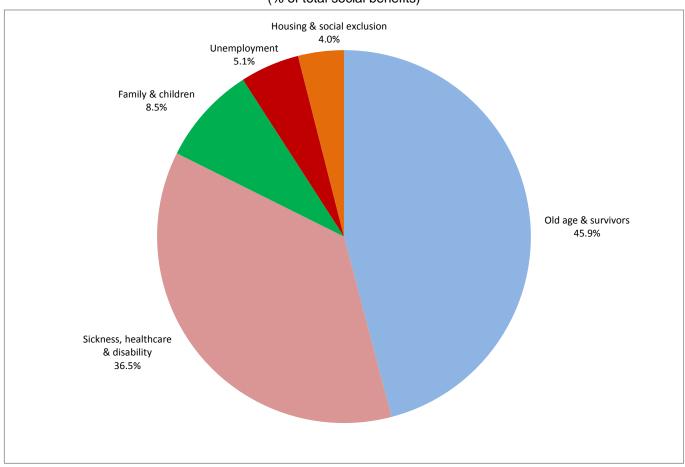
Highest share for old age and survivors benefits in Greece and Poland

On average in the **EU**, old age & survivors benefits accounted for 45.9% of total social benefits in 2014, and were the major part of social protection benefits in nearly all Member States. The share of old age and survivors benefits in the total was highest in **Greece** (65.0%), **Poland** (60.4%), **Italy** (58.6%), **Portugal** (57.5%), **Cyprus** (55.5%) and **Romania** (55.1%), while it was lowest in **Ireland** (29.8%), **Luxembourg** (37.7%), **Germany** (39.2%) and **Belgium** (40.3%).

Sickness/health care and disability benefits accounted for 36.5% of total social benefits on average in the **EU** in 2014. They represented the largest share of social protection benefits in **Ireland**, **Germany** and **Croatia**. Amongst Member States, the share of these benefits ranged from 23.3% in **Cyprus** and 26.1% in **Greece** to 42.3% in the **Netherlands**, 42.8% in **Germany** and 45.8% in **Croatia**.

Family and children benefits accounted for 8.5% of total social benefits on average in the **EU** in 2014, unemployment benefits for 5.1%, and housing and social exclusion benefits for 4.0%. The share of family benefits in the total ranged from 3.1% in the **Netherlands** to 15.6% in **Luxembourg**. Unemployment benefits varied between 1.0% in **Romania** and 13.8% in **Ireland**, and housing and social exclusion benefits between 0.2% in **Greece** and 7.7% in the **United Kingdom**.

Social protection expenditure by main functions in the EU, 2014 (% of total social benefits)



Social protection expenditure, 2014

	Expenditure:					Benefits by function, in % of total social benefits:				
	in % of GDP			PPS per	Old age &	Sickness/	Family &	Unemploy-	Housing &	
	2011	2012	2013	2014	capita, 2014 EU=100	survivors	healthcare & disability	children	ment	social exclusion
EU	28.3	28.7	28.9	28.7	100	45.9	36.5	8.5	5.1	4.0
Belgium	29.7	29.6	30.1	30.3	123	40.3	37.2	7.5	11.6	3.3
Bulgaria	16.5	16.6	17.6	18.5	32	49.5	35.4	10.6	2.9	1.7
Czech Republic	20.1	20.4	20.2	19.7	62	47.2	38.0	8.7	3.0	3.1
Denmark	32.3	32.2	33.0	33.5	140	44.3	32.9	11.2	5.2	6.5
Germany	28.6	28.7	29.0	29.1	131	39.2	42.8	11.3	3.9	2.8
Estonia	15.6	15.0	14.9	15.1	41	44.3	41.2	10.9	2.8	0.9
Ireland	23.5	23.2	22.3	20.6	87	29.8	40.6	13.1	13.8	2.7
Greece	27.7	28.2	26.7	26.0	66	65.0	26.1	4.4	4.3	0.2
Spain	25.3	25.5	25.8	25.4	77	49.1	33.4	5.3	10.8	1.4
France	32.7	33.5	33.9	34.3	131	45.4	35.0	7.8	6.2	5.5
Croatia	20.4	21.1	22.0	21.6	44	43.7	45.8	7.2	2.3	1.1
Italy	28.5	29.3	29.8	30.0	98	58.6	29.4	5.4	5.8	0.8
Cyprus	21.5	22.3	24.2	23.0	66	55.5	23.3	6.3	8.6	6.4
Latvia	15.4	14.4	14.6	14.5	33	52.0	33.3	9.1	4.0	1.6
Lithuania	16.9	16.3	15.3	14.7	40	47.7	39.0	7.8	2.4	3.1
Luxembourg	21.9	22.8	23.2	22.7	188*	37.7	36.7	15.6	6.5	3.6
Hungary	21.7	21.4	20.8	19.9	50	52.1	32.1	11.9	1.9	2.1
Malta	18.8	19.0	18.8	19.0	56	51.7	36.6	6.6	2.9	2.2
Netherlands	30.2	31.0	31.2	30.9	137	42.5	42.3	3.1	5.6	6.4
Austria	29.0	29.3	29.8	30.0	134	50.7	32.3	9.5	5.6	2.0
Poland	18.7	18.9	19.4	19.0	49	60.4	29.6	7.6	1.3	1.0
Portugal	25.8	26.4	27.6	26.9	71	57.5	31.2	4.6	5.8	0.9
Romania	16.4	15.4	14.9	14.8	29	55.1	34.3	8.3	1.0	1.3
Slovenia	24.5	24.9	24.9	24.1	68	49.0	37.0	7.9	3.0	3.1
Slovakia	17.8	18.0	18.3	18.5	52	45.6	39.9	9.3	2.9	2.3
Finland	28.9	30.1	31.1	31.9	123	41.7	34.9	10.4	8.2	4.8
Sweden	28.2	29.3	30.0	29.6	123	43.4	37.9	10.6	3.8	4.2
United Kingdom	29.1	29.2	28.4	27.4	100	43.1	37.2	10.4	1.7	7.7
Iceland	23.9	23.7	23.4	23.9	99	28.1	51.5	11.5	3.1	5.8
Norway	24.8	24.5	25.0	26.0	152	35.9	46.2	12.4	2.3	3.2
Switzerland	25.4	26.3	27.0	27.1	142	48.1	39.0	6.0	3.6	3.3
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The source dataset on expenditure can be found here. The source dataset on benefits by function can be found here. * See country note.

Geographical information

The **European Union** (EU) includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

Methods and definitions

Social protection expenditure and receipts are calculated in line with the ESSPROS (European System of Integrated Social Protection Statistics) methodology. Expenditure includes social benefits, administration costs and other expenditure linked to social protection schemes. Social benefits are "gross": their value represents what resident social protection schemes disburse, before any deduction of taxes on income or other obligatory levies payable on benefits by recipients. Further detail is available in the <u>ESSPROS Manual and user guidelines</u>, available from the Eurostat website. Data on expenditure (gross) and receipts are in nominal terms, i.e. at current prices and current exchange rates. Data are provisional for a number of Member States.

The Purchasing Power Standard (PPS) is an artificial reference currency unit that eliminates price level differences between countries. Thus one PPS buys the same volume of goods and services in all countries. This unit allows meaningful volume comparisons of economic indicators across countries. The PPSs used are those corresponding to the national accounts aggregate "actual individual consumption".

Country note:

Luxembourg: The indicator "expenditure per capita" is calculated based on the resident population, therefore this value is overestimated for Luxembourg compared with other countries, since a significant proportion of benefits are paid to persons living outside the country (primarily expenditure on health care, pensions and family benefits).

For more information

Eurostat website section dedicated to the European System of Integrated Social Protection Statistics (ESSPROS).

Eurostat database on social protection.

Eurostat metadata on social protection.

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