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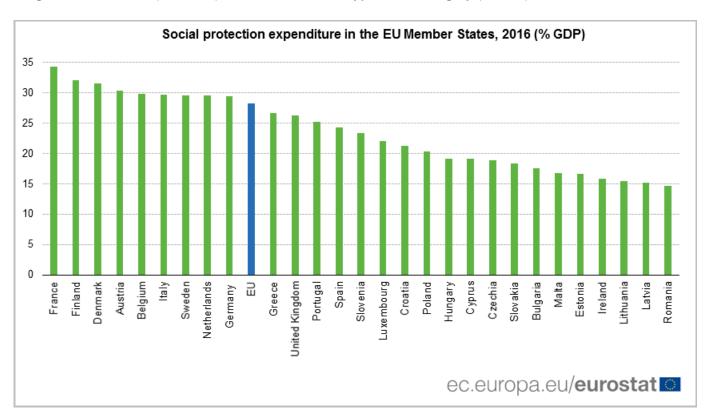
Social protection in 2016

# Share of EU GDP spent on social protection slightly down

Highest ratios in France, Finland and Denmark

Social protection expenditure in the **European Union** (EU) stood at 28.2% of GDP in 2016, slightly down compared with 28.4% in 2015, according to data from **Eurostat**, the statistical office of the **European Union**. In 2016, the two main sources of funding of social protection at **EU** level were social contributions, making up 55% of total receipts, and general government contributions from taxes at 40%.

The EU average continued to mask major disparities between Member States. In 2016, social protection expenditure represented at least 30% of GDP in France (34%), Finland and Denmark (both 32%) as well as in Austria, Belgium, Italy, Sweden and the Netherlands (all 30%). In contrast, social protection expenditure stood below 20% of GDP in Romania, Latvia and Lithuania (all 15%), Ireland (16%), Estonia and Malta (both 17%), Bulgaria and Slovakia (both 18%) as well as Czechia, Cyprus and Hungary (all 19%).



### Social protection expenditure per capita varies substantially across Member States

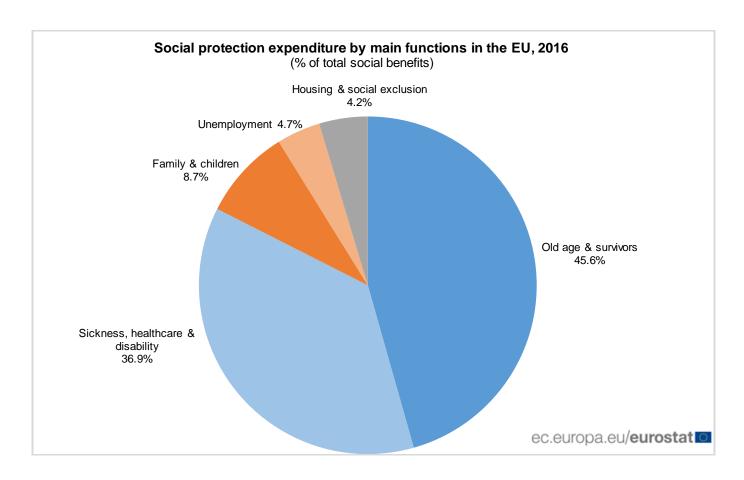
In 2016, social protection expenditure per capita in PPS (Purchasing Power Standards), which eliminates price level differences between countries, showed large differences between EU Member States. After Luxembourg (see country note), the highest expenditure per capita were recorded in Austria, Germany, Denmark, the Netherlands and France (all around 11 thousand PPS) In contrast, the lowest expenditure per capita were registered in Romania, Bulgaria and Latvia (under 3 thousand PPS).

## Highest share for old age and survivors benefits in Greece, Portugal and Italy

On average in the **EU**, old age & survivors benefits accounted for nearly 46% of total social benefits in 2016 and made up 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%), **Portugal** and **Italy** (both 58%), **Cyprus** and **Poland** (both 56%), while it was lowest in **Ireland** (34%), **Germany** (39%), **Luxembourg** (40%), **Estonia** and the **United Kingdom** (both 42%).

Sickness/health care and disability benefits accounted for 37% of total social benefits on average in the **EU** in 2016. Amongst Member States, the share of these benefits ranged from 23% in **Cyprus** and 26% in **Greece** to over 40% in **Croatia** (44%), **Ireland** and **Germany** (both 43%), the **Netherlands** (42%) as well as **Slovakia**, **Estonia** and **Lithuania** (all 41%).

Family and children benefits accounted for slightly less than 9% of total social benefits on average in the **EU** in 2016, unemployment benefits for nearly 5% and housing and social exclusion benefits for 4%. The share of family benefits in the total ranged from 4% in **Greece** and in the **Netherlands** to over 15% in **Luxembourg**. Unemployment benefits varied between less than 1% in both **Romania** and **Poland** to 10% in **Ireland**. Housing and social exclusion benefits ranged from less than 1% in **Poland**, **Greece** and **Portugal** to 8% in **Cyprus** and 7% in both **Denmark** and the **United Kingdom**.



# Social protection expenditure, 2016

	Expenditure				Benefits by function, in % of total social benefits, 2016				
	in % of GDP 2011 2015 2016			Thousand PPS per	Family & Children	Unemploy- ment	Sickness / healthcare	Old age & survivors	Housing & Social
				capita, 2016			& disability		exclusion
EU	28.3	28.4*	28.2	8.2	8.7	4.7	36.9	45.6	4.2
Belgium	29.7	30.3	29.8	10.0	7.5	9.1	35.2	44.9	3.3
Bulgaria	16.5	17.9	17.5	2.7	10.4	3.2	34.8	50.0	1.6
Czechia	20.1	19.0	18.9	5.2	8.9	2.6	38.8	47.0	2.8
Denmark	32.1	32.3	31.6	10.9	11.4	4.7	33.7	42.8	7.4
Germany	28.7	29.2	29.4	11.0	11.4	3.5	43.0	38.7	3.4
Estonia	15.6	16.1	16.6	3.8	13.0	2.9	41.3	41.8	1.1
Ireland	24.2	15.8	15.8	7.2	8.6	10.1	43.4	33.7	4.2
Greece	27.3	26.2	26.6	5.2	4.0	3.7	26.4	65.1	0.9
Spain	25.3	24.6	24.3	6.3	5.4	8.1	34.7	50.4	1.5
France	33.0	34.2	34.3	10.8	7.6	6.2	35.0	45.5	5.6
Croatia	21.0	21.8	21.3	3.8	8.6	2.4	44.3	43.3	1.5
Italy	28.5	29.9	29.7	8.1	6.2	6.1	28.9	57.8	1.0
Cyprus	20.2	19.9	19.1	4.7	7.1	5.5	22.8	56.2	8.4
Latvia	15.3	14.9	15.2	2.9	11.1	4.7	34.1	49.0	1.2
Lithuania	17.0	15.6	15.4	3.6	7.8	3.3	40.8	45.9	2.3
Luxembourg	21.8	22.1	22.0	14.5	15.4	5.8	35.4	39.5	3.9
Hungary	21.6	19.4	19.2	4.0	11.9	1.7	33.9	50.0	2.4
Malta	18.9	17.1	16.7	4.6	5.9	2.7	36.6	52.5	2.3
Netherlands	29.9	29.9	29.5	10.9	4.0	4.7	42.3	42.6	6.4
Austria	28.8	29.8	30.3	11.1	9.5	5.8	31.9	49.8	3.0
Poland	18.7	19.1*	20.3	4.5	12.8	0.9	29.9	55.6	0.8
Portugal	25.8	25.7	25.2	5.6	4.9	3.8	32.4	57.9	1.0
Romania	16.5	14.6	14.6	2.6	9.6	0.6	34.0	54.6	1.2
Slovenia	24.5	23.7	23.3	5.5	7.5	2.6	38.6	48.1	3.2
Slovakia	17.8	18.2	18.4	4.3	9.0	3.0	41.3	45.0	1.7
Finland	28.9	32.1	32.0	10.3	9.9	8.2	32.6	43.4	5.9
Sweden	28.5	29.4	29.6	10.3	10.3	3.5	36.8	43.2	6.2
United Kingdom	28.9	27.6	26.2	7.8	9.9	1.4	39.2	42.3	7.2
Iceland**	23.2	22.3	:	8.0	11.1	2.4	52.2	28.7	5.6
Norway**	24.8	27.9	:	12.7	11.9	2.4	46.4	35.8	3.5
Switzerland	25.8	27.8	28.1	12.1	5.9	3.8	40.0	46.9	3.5
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<sup>\* 2014</sup> data for Poland \*\* 2015 data instead of 2016

<sup>:</sup> Data not available

The source datasets can be found  $\underline{\text{here}}$  (expenditure) and  $\underline{\text{here}}$  (benefits by function).

#### **Geographical information**

The **European Union** (EU) includes Belgium, Bulgaria, Czechia, 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:

<u>Luxembourg:</u> 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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