"In 2020, the total expenditure on social protection benefits in the EU amounted to € 4 074 billion, or 30.4% of GDP."

"In 2020, some 44% of total expenditure on social protection benefits in the EU was for the old age and survivors function, followed by the sickness/health care function with 29%."

"During the period 2010-2020, the fastest expansion in expenditure on social protection benefits was recorded for the housing and social exclusion function, followed by the unemployment function."

This article presents statistics relating to expenditure on social protection benefits in the European Union (EU), the EFTA countries, as well as the enlargement countries. These statistics are collected through the European system of integrated social protection statistics (ESSPROS).

Expenditure on social protection benefits by function

In 2020, the total expenditure on social protection benefits in the EU amounted to € 4 074 billion, which was equivalent to 30.4% of gross domestic product (GDP). An analysis by function reveals that the highest level of expenditure in the EU was recorded for the old age and survivors function (largely composed of pensions), which accounted for close to half (44.2%) of the total expenditure on social protection benefits in 2020. The next highest share, accounting for almost three tenths (29.1%) of the EU’s expenditure on social protection benefits, was for the sickness/health care function, while each of the remaining four functions (shown in Table 1) accounted for single-digit shares. Among these, the highest proportion was recorded for the family/children function (8.3% of total expenditure on social protection benefits), followed by disability and unemployment (both 7.3%) and housing and social exclusion (3.7%).
In France, the level of expenditure of social protection benefits was more than one third of GDP.

There were considerable variations between EU Member States with respect to their levels of expenditure on social protection benefits relative to GDP. In 2020, this ratio peaked at 35.2 % in France, followed by Italy and Austria (both 33.3 %). At the other end of the range, the ratio of expenditure on social protection benefits relative to GDP was 15.1 % in Ireland, 17.1 % in Romania, 17.6 % in Latvia and 18.0 % in Hungary; relatively low ratios (below 20 %) were also recorded in Bulgaria, Lithuania, Estonia and Slovakia (see Figure 1). It is important to take into consideration these overall ratios of expenditure in the different EU Member States when analysing the relative shares of different functions in total expenditure.
More than three fifths of all expenditure on social protection benefits in Greece was accounted for by benefits for old age and survivors

As noted above, benefits for old age and survivors accounted for the highest share of EU expenditure on social protection benefits in 2020, at 44.2%. This pattern of the old age and survivors’ function recording the highest share of total expenditure was repeated in each of the EU Member States except for Ireland where the sickness/health care function was the largest (38.9%). Indeed, there were four Member States where more than half of their total expenditure on social protection benefits was directed to the old age and survivors function, with a peak of 63.0% in Greece, followed by Italy (55.2%), Portugal (54.6%) and Romania (53.0%). These relatively high shares of expenditure on benefits for old age and survivors may, in some cases, be linked to population ageing (and its related costs): for example, at the start of 2020, people aged 65 years and over accounted for 23.2% of the total population in Italy, 22.3% of the total in Greece and 22.1% of the total in Portugal — these were among the highest shares in the EU. Among the non-member countries, a majority of the expenditure on social protection benefits in Türkiye (57.9%), Serbia (53.8%) and Montenegro (50.2%, 2019 data) was also accounted for by the old age and survivors function, although it is interesting to note that less than 1 in 10 of the Turkish population was aged 65 and over (9.1% at the start of 2020).

By contrast, there were five EU Member States where the old age and survivors function accounted for less than 40.0% of the total expenditure on social protection benefits in 2020: Lithuania (39.9%), Estonia (39.1%), Luxembourg (38.0%), Germany (37.3%) and the lowest share in Ireland (29.4%). This may, at least in part, be linked to the structure of the Irish population: as of 1 January 2020, people aged 65 years and over accounted for just 14.4% of the total number of inhabitants in Ireland, compared with an EU average of 20.6%, while the next lowest share among the Member States was recorded in Luxembourg (14.5%).

More than one third of the total expenditure on social protection benefits in Ireland, the Netherlands, Germany, Czechia, Slovenia and Croatia was accounted for by benefits for sickness/health care

In 2020, the second highest level of EU expenditure on social protection benefits was for sickness/health care,
which accounted for almost three tenths (29.1 %) of total expenditure. This pattern was repeated in all but two countries, with Ireland and Iceland the only exceptions as their level of expenditure on sickness/health care was higher than that for old age and survivors. The share of sickness/health care in total expenditure on social protection benefits ranged from highs of 38.9 % in Ireland and 35.1 % in the Netherlands down to lows of 21.2 % in Greece and 21.9 % in Denmark.

Benefits for family/children averaged 8.3 % of total EU expenditure on social protection benefits in 2020. This share ranged from a high of 16.2 % in Poland down to a low of 3.8 % in Italy. In a majority (15) of the EU Member States, family/children accounted for the third highest level of expenditure among the six different functions that are shown in Table 1 (behind old age and survivors and sickness/health care).

A similar analysis for the disability function reveals that in 2020 the highest shares of total expenditure on social protection benefits were recorded in Denmark (15.8 %) and Luxembourg and Estonia (both 11.0 %), the only shares of more than 10.0 % among the Member States. This function had a much smaller share of total expenditure in Cyprus (3.1 %), Malta (3.2 %), Greece (3.9 %) and Slovenia (4.8 %). The average share of disability benefits within the total expenditure on social protection benefits was 7.3 % across the whole of the EU, while in four of the EU Member States the disability function accounted for the third highest level of expenditure among the six different functions that are shown in Table 1.

Similarly to disability benefits, the share of EU expenditure on unemployment benefits on total expenditure on social protection benefits equated to 7.3 % in 2020. This share ranged from 16.7 % in Malta to 3.0 % in Hungary, with a low of 0.9 % recorded in Romania. Together with Malta, in a further seven EU Member States expenditure on unemployment accounted for the third highest level of total expenditure on social protection benefits among the six different functions shown in Table 1 (behind old age and survivors and sickness/health care).

In addition, 3.7 % of the EU's expenditure on social protection benefits in 2020 was accounted for by housing and social exclusion. The relative weight of housing and social exclusion in total expenditure on social protection benefits was considerably higher in Denmark, the Netherlands (both 6.8 %) and Cyprus (6.2 %). By contrast, in Latvia, Portugal, Estonia and Romania less than 1.0 % of total expenditure on social protection benefits was used for housing and social exclusion.

It is revealing to compare the difference between the highest and lowest shares of total expenditure for each of the social protection functions. While the highest proportion of expenditure on sickness/health care (in Ireland) was 1.8 times as high as the lowest proportion (in Greece), this was the lowest ratio recorded for any of the six different social protection functions. The corresponding ratios between the highest and lowest shares were 2.1 for the old age and survivors function (this time Greece compared with Ireland), 4.3 for family/children (Poland and Italy) and 5.0 for disability (Denmark compared with Cyprus). However, the biggest differences were recorded for the housing and social exclusion function where the share in the Netherlands was about 13 times as high as the share in Romania, and the unemployment function, where the highest proportion of total expenditure was recorded in Malta which was some 18 times as high as the share recorded in Romania.

**Developments for social protection benefits in constant prices**

The development of EU expenditure on social protection benefits over the period covering 2010-2020 reveals that total expenditure on all functions rose, on average, by 1.9 % per year (Table 2); this analysis is based on data using constant 2010 prices (in other words, it is presented in real terms).

Only in one EU Member State, namely Greece, did total expenditure on social protection benefits fall during the period under consideration, on average by 1.3 % per year, while in Hungary there was the smallest increase (0.6 % per year — note for Hungary there is a break in series). By contrast, the highest growth rate between 2010 and 2020 was registered in Malta, where expenditure on social protection benefits rose by an average of 5.9 % per year in real terms; the next highest rates of change were recorded in Poland (5.1 % per year), Estonia (4.4 % per year), Lithuania and Luxembourg (both 4.0 % per year).

**Between 2010 and 2020, EU expenditure on housing and social exclusion rose by an average of 3.4 % per year**

The various developments observed over time in relation to expenditure on the different social protection functions reflects a range of issues, including: the overall health of each economy, changes in the level of demand for specific
benefits, demographic developments, and the focus/aim of political reforms with respect to social protection legislation.

Across the whole of the EU, the highest growth rate for expenditure on social protection benefits during the period 2010-2020 was recorded for housing and social exclusion, where expenditure rose, on average, by 3.4 % per year. The next highest rates of change were recorded for the unemployment function (3.1 % per year), for the family/children function (2.1 % per year) and for the sickness/health care function (1.9 % per year). By contrast, the functions old age and survivors and disability showed an annual average growth rate below the EU average (both 1.7 % per year). The largest increase in expenditure for housing and social exclusion was registered by Italy (22.9 % per year), while Malta recorded the highest growth for the unemployment function (26.9 % per year).

Greece was the only EU Member State where the level of expenditure on old age and survivors and sickness/health care fell (in real terms) between 2010 and 2020, down on average by 0.2 % and 3.6 % per year. By contrast, there were ten Member States where expenditure on disability fell during the period under consideration: among these, Greece once again recorded the lowest rate of change, with expenditure falling on average by 6.0 % per year. There was a lower number of Member States reporting a decline in their level of expenditure for the remaining social protection functions, with expenditure on family/children benefits falling in four Member States, unemployment benefits falling in six, housing and social exclusion benefits falling in 7. Note that reductions in expenditure may reflect lower demand for specific social benefits: for example, if the level of unemployment falls then it is likely that the level of expenditure on this function also declines.

During the period 2010-2020, Cyprus recorded the largest reduction — among the EU Member States — in its level of expenditure on social benefits for family/children (down 3.4 % per year) and Romania for its levels of expenditure on social benefits for unemployment (down 8.5 %) as well as housing and social exclusion (down 8.9 % per year).
Social protection benefits in cash and in kind

Expenditure on social protection benefits may take a variety of different forms in terms of its delivery. Payments may be made in cash, paid out either at regular intervals or as lump sums, or alternatively may take the form of benefits in kind. In a similar vein, some governments choose to target certain benefits by making them means-tested (dependent upon different income levels), whereas other payments might be made to the whole of a (sub)population, for example, a winter fuel allowance (for heating) paid to all elderly persons.

Figure 2 shows that in 2020 almost two thirds (66.2 %) of the total expenditure on social protection benefits in the EU was made in the form of cash payments. The share of cash benefits in total expenditure on social protection benefits peaked at 78.7 % in Greece and at 77.3 % in Italy, while cash benefits also accounted for more than 70 % of total expenditure in Poland, Cyprus, Portugal, Spain and Latvia. At the other end of the range, cash benefits accounted for less than 60 % of the total expenditure on social protection benefits in Ireland, (58.8 %), Denmark (57.2 %) and Sweden (53.8 %).
Across the whole of the EU, the ratio between means-tested and non means-tested cash benefits was heavily skewed in favour of the latter. In 2020, the value of cash benefits that were not means-tested was about 8 times as high as that for cash benefits that were means-tested. This pattern of less means-tested benefits than not means-tested benefits was repeated in all of the EU Member States and was particularly notable among the Baltic Member States, as well as in Czechia, Poland, Bulgaria and Sweden.

In 2020, more than one third (33.8 %) of the total expenditure on social protection benefits in the EU was composed of benefits in kind. The vast majority of these were made up of not means-tested benefits in kind (29.4 % of total expenditure), leaving 4.4 % attributed to means-tested benefits in kind. The level of expenditure on not means-tested benefits in kind was systematically higher than the level of expenditure on means-tested benefits in kind in each of the EU Member States.

**Means-tested benefits**

Across the EU, means-tested benefits accounted for 10.7 % of all expenditure on social protection benefits in 2020. A relatively high share of this expenditure was made in relation to the housing and social exclusion function (note that housing benefits are exclusively means-tested). Among the EU Member States, the share of means-tested benefits in total expenditure on social protection benefits reached a high of 35.8 % in Denmark, while a relatively high share was also recorded in Ireland (22.4 %); their shares were considerably higher than in the remaining
Member States, as the third highest share was 15.1 %, recorded in the Netherlands. At the other end of the range, means-tested benefits accounted for less than 3.0 % of the total expenditure on social protection benefits in seven Member States, with the lowest shares recorded in Latvia and Estonia (respectively 0.7 % and 0.6 %).

**Expenditure on means-tested social protection benefits, 2020**

( % of total expenditure on social protection benefits)

Figure 3: Expenditure on means-tested social protection benefits, 2020 (% of total expenditure on social protection benefits) Source: Eurostat (spr_exp_fto)

**Source data for tables and graphs**

Social protection statistics — social benefits: tables and figures

**Data sources**

The statistics presented in this article were collected from national statistical authorities and/or ministries of social affairs. Most of the data were compiled from administrative sources. For more detailed information, please refer to:

- consolidated quality reports on social protection statistics;
- qualitative information;
- national quality reports on the ESSPROS core system.

The European system of integrated social protection statistics (ESSPROS) was jointly developed in the late 1970s by Eurostat and representatives of the EU Member States in response to the need for a specific statistical instrument for the observation of social protection issues.

ESSPROS is a common framework which enables international comparisons of administrative data on national social protection systems. It provides a coherent comparison of social protection benefits for households and their financing across European countries.
ESSPROS is composed of a core system and a set of modules. The modules contain supplementary statistical information on particular aspects of social protection, essentially they relate to the number of beneficiaries of social protection pensions and to net social protection benefits. On the other hand, the core system contains data that have been collected by Eurostat since 1990, namely:

- **quantitative data** — social protection expenditure and receipts by scheme (a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing);

- **qualitative data** — metadata for the different schemes and detailed social protection benefits.

The receipts for social protection schemes may be classified according to type and origin:

- the type gives the nature of, or the reason for, a payment — social contributions, general government contributions, transfers from other schemes, and other receipts;

- the origin specifies the institutional sector from which the payment is received — all resident institutional units (corporations, general government, households, non-profit institutions serving households) and the rest of the world.

The expenditure of social protection is classified by type, indicating the nature of, or the reason for, the expenditure:

- social protection benefits;

- administrative costs;

- transfers to other schemes; and,

- other expenditure.

Social protection benefits are transfers to households, in cash or in kind, that are designed/intended to relieve households of the financial burden of a number of different risks/needs that are classified as functions. The following list of functions is identified within ESSPROS:

- old age and survivors;

- sickness/health care;

- disability;

- family/children;

- unemployment;

- housing;

- social exclusion.

**Tables in this article use the following notation:**

<table>
<thead>
<tr>
<th>Value in italics</th>
<th>data value is forecasted, provisional or estimated and is therefore likely to change;</th>
</tr>
</thead>
<tbody>
<tr>
<td>:</td>
<td>not available, confidential or unreliable value;</td>
</tr>
</tbody>
</table>

**Context**

The organisation and financing of social protection systems is the responsibility of each of the EU Member States. The models used in the Member States are therefore somewhat different from each other. The EU institutions play a coordinating role to ensure that people who move across borders continue to receive adequate protection; they seek to promote actions among the Member States to combat poverty and social exclusion as well as to reform social protection systems on the basis of policy exchanges and mutual learning. The main policy framework in the field of EU social protection is the **European pillar of social rights**. The pillar contains three main categories for action, one of which concerns social protection and inclusion.
Other articles

- Disability statistics — online publication
- Social protection statistics — overview
- Social protection statistics — background
- Social protection statistics — sickness and health care benefits
- Social protection statistics — family and children benefits
- Social protection statistics — unemployment benefits
- Social protection statistics — net expenditure on benefits
- Social protection statistics — financing
- Social protection statistics — pension expenditure and pension beneficiaries

Main tables

- Social protection

Database

- Social protection, see:

  Social protection expenditure (spr_expend)
  Social protection receipts (spr_receipts)
  Pensions beneficiaries (spr_pension)
  Net social protection benefits (spr_net_ben)

Dedicated section

- Social protection

Publications

- Sickness/healthcare benefits up in 2020 — Eurostat news — 23 November 2021
- Social protection expenditure: 2020 early estimates — Eurostat news — 16 November 2021
- Looking at the lives of older people in the EU — Eurostat news — 1 October 2021
- How much is spent on disability benefits in the EU? — Eurostat news — 3 December 2020
- How much is spent on family benefits in the EU? — Eurostat news — 1 June 2020
- Share of EU GDP spent on social protection slightly down — news release on social protection — 22 November 2019
- Survivors' benefits in the EU — Eurostat news — 22 June 2017
- Family and child benefits in the EU — Eurostat news — 12 May 2017
Methodology

- Social protection methodology
- Social protection (ESMS metadata file — spr_esms)

Legislation

- Regulation (EC) No 1322/2007 on appropriate formats for transmission, results to be transmitted and criteria for measuring quality for the ESSPROS core system and the module on pension beneficiaries of 12 November 2007
- Regulation (EC) No 10/2008 of 8 January 2008 on definitions, detailed classifications and updating of the rules for dissemination for the ESSPROS core system and the module on pension beneficiaries

External links

- Mutual information system on social protection (MISSOC) — Directorate-General for Employment, Social Affairs and Inclusion
- Social protection and social inclusion — Directorate-General for Employment, Social Affairs and Inclusion