Government expenditure on social protection
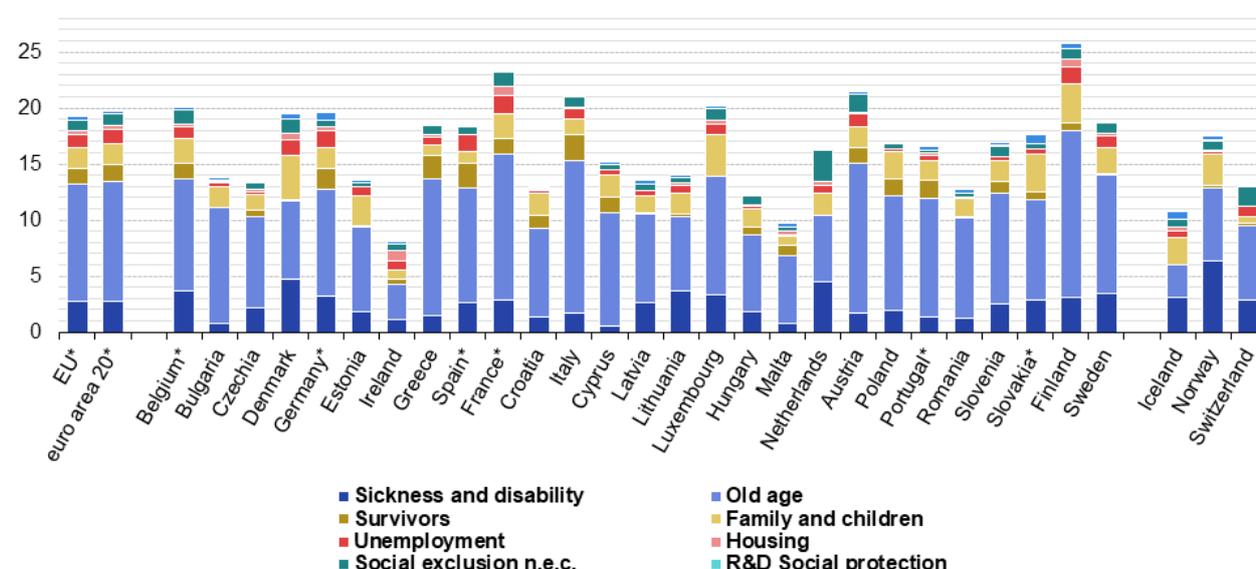
Statistics Explained

Highlights

General government expenditure in the EU on social protection stood at € 3 309 billion or 19.2% of GDP in 2023.

General government total expenditure on social protection, 2023 (% of GDP)
(% of GDP)

* provisional
Source: Eurostat (gov_10a_exp)

General government total expenditure on social protection, 2023 (% of GDP) Source: Eurostat (gov_10a_exp)

This article analyses data on general government total expenditure on 'social protection' (according to the Classification of the Functions of Government - COFOG). It is part of a set of statistical articles based on general government expenditure by function.

Eurostat collects data on general government expenditure by economic function according to the international Classification of the Functions of Government (COFOG) in the framework of the European System of National Accounts (ESA 2010).

Expenditure on 'social protection'

Expenditure on 'social protection' remained by far the most important COFOG division in 2023 in the EU and in all reporting EU countries and EFTA countries. This reflects government's core function to redistribute income and wealth, financed by compulsory payments. Unsurprisingly, the expenditure category dominating this division is 'social benefits and social transfers in kind (purchased market production)'. Social benefits are paid to households to alleviate social risks and needs. Examples include unemployment benefits and pension payments. In 2023 in the EU, social benefits and social transfers in kind (purchased market production) made up around 89% of expenditure in the social protection COFOG division.

General government total expenditure on social protection, 2023, % of GDP

	Social protection	Sickness and disability	Old age	Survivors	Family and children	Unemploy-ment	Housing	Social exclusion n.e.c.	R&D Social protection	Social protection n.e.c.
EU*	19.2	2.7	10.4	1.4	1.9	1.2	0.3	1.0	0.0	0.3
euro area 20*	19.8	2.8	10.7	1.6	1.8	1.3	0.4	1.0	0.0	0.3
Belgium*	20.1	3.7	9.9	1.4	2.2	1.1	0.3	1.3	0.0	0.2
Bulgaria	13.8	0.8	10.3	:	1.9	0.3	0.1	0.1	:	0.2
Czechia	13.5	2.2	8.2	0.5	1.4	0.1	0.2	0.6	0.0	0.2
Denmark	19.5	4.7	7.1	0.0	4.0	1.4	0.6	1.3	0.0	0.4
Germany*	19.7	3.3	9.5	1.8	1.8	1.5	0.4	0.6	0.0	0.7
Estonia	13.5	1.8	7.6	0.1	2.7	0.9	0.0	0.3	0.0	0.2
Ireland	8.1	1.1	3.2	0.4	0.8	0.8	0.9	0.6	0.0	0.2
Greece	18.5	1.4	12.2	2.1	0.9	0.8	0.2	0.8	0.0	0.0
Spain*	18.5	2.7	10.2	2.2	1.0	1.5	0.0	0.7	0.0	0.1
France*	23.4	2.8	13.1	1.4	2.3	1.6	0.7	1.3	0.0	0.1
Croatia	13.0	1.4	7.9	1.2	1.9	0.2	0.2	0.1	0.0	0.1
Italy	21.1	1.7	13.6	2.4	1.4	0.9	0.0	0.9	0.0	0.1
Cyprus	15.1	0.5	10.1	1.4	2.0	0.4	0.0	0.5	0.0	0.1
Latvia	13.5	2.7	7.8	0.2	1.5	0.4	0.1	0.5	0.0	0.3
Lithuania	14.0	3.7	6.6	0.3	1.8	0.8	0.2	0.4	0.0	0.2
Luxembourg	20.2	3.4	10.5	0.0	3.7	1.0	0.3	1.1	0.0	0.3
Hungary	12.3	1.8	6.8	0.7	1.6	0.2	0.1	0.8	0.0	0.1
Malta	9.7	0.8	6.0	1.0	0.8	0.1	0.4	0.3	0.0	0.3
Netherlands	16.2	4.5	5.9	0.0	2.0	0.6	0.4	2.8	0.0	0.0
Austria	21.4	1.7	13.4	1.3	2.0	1.1	0.1	1.6	0.0	0.2
Poland	16.9	1.9	10.2	1.5	2.4	0.2	0.0	0.4	0.0	0.1
Portugal*	16.6	1.3	10.6	1.6	1.8	0.5	0.2	0.2	0.0	0.3
Romania	12.8	1.2	9.0	0.1	1.7	0.0	0.0	0.4	0.0	0.4
Slovenia	17.0	2.5	9.8	1.1	1.8	0.3	0.0	1.0	0.0	0.3
Slovakia*	17.6	2.9	8.9	0.8	3.4	0.4	0.0	0.4	0.0	0.8
Finland	25.7	3.1	14.9	0.6	3.5	1.6	0.6	1.0	0.0	0.4
Sweden	18.7	3.5	10.6	0.1	2.3	1.0	0.3	0.9	0.0	0.0
Iceland	10.8	3.1	2.9	0.0	2.4	0.7	0.3	0.7	0.0	0.7
Norway	17.5	6.3	6.6	0.1	2.8	0.2	0.1	0.9	0.0	0.3
Switzerland	13.1	2.9	6.6	0.3	0.6	0.9	0.1	1.8	0.0	0.0

Source: Eurostat (gov_10a_exp)

* provisional

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Table 1: General government total expenditure on social protection, 2023 (% of GDP) Source: Eurostat (gov_10a_exp)

In the EU in 2023, expenditure on social protection stood at € 3 309 billion, equivalent to 19.2% of GDP and 39.3% of total expenditure.

The COFOG division 'social protection' is further divided into 9 different groups: 'sickness and disability', 'old age' and 'survivors', 'family and children', 'unemployment', 'housing', 'social exclusion not elsewhere classified', 'R&D on social protection' and 'social protection not elsewhere classified.'

By far the most significant group in this division, 'old age' (10.4% of GDP), relates mainly to pension payments.

Expenditure in 'sickness and disability' (2.7% of GDP), the second largest group, represents mainly social payments in cash or in kind related to social insurance schemes.

In the EU in 2023, the groups 'family and children' (1.9% of GDP), 'survivors' (1.4% of GDP) and 'unemployment' (1.2% of GDP) also accounted for a significant part of expenditure. The group 'survivors' contains mainly pension payments to survivors of a deceased insured person.

'Housing', comprising mainly social protection payments to households to help with the cost of housing as well as the operation of social housing schemes, accounted for 0.3% of GDP.

Expenditure related to 'social exclusion not elsewhere classified' accounted for 1.0% of GDP at EU level in 2023 - this contains benefits to persons socially excluded, e.g. on low income, refugees, suffering from substance abuse, etc. Non-means tested assistance to households to alleviate the impact of high energy prices is also recorded in this group. This, together with the increase in refugees following Russia's war of aggression against Ukraine, accounts for an elevated level of expenditure in this group compared to previous years such as 2019 (0.8% of GDP) but a decrease compared to 2022 (1.2% of GDP).

Government 'social protection' expenditure as a ratio to GDP varied across EU countries from 8.1% to 25.7%

Social protection represented the largest area of general government expenditure in 2023 in all EU countries. The ratio of government social protection expenditure to GDP varied across EU countries from 8.1% of GDP in Ireland to 25.7% in Finland.

In 2023, 6 EU countries – Finland (25.7% of GDP), France (23.4% of GDP), Austria (21.4% of GDP), Italy (21.1% of GDP), Luxembourg (20.2% of GDP) and Belgium (20.1% of GDP) – devoted at least 20% of GDP to social protection. At the other end of the scale, Ireland (8.1% of GDP), Malta (9.7% of GDP), Hungary (12.3% of GDP) and Romania (12.8% of GDP), as well as Iceland (10.8% of GDP) among the EFTA countries, each spent less than 13% of GDP on social protection.

'Social protection' expenditure by type of transaction

In 2023 at the EU level, 89% of expenditure on 'social protection' was in the form of social (cash) benefits and social transfers in kind (purchased market production). This category comprises payments of retirement or survivors' pensions, unemployment allowance, benefits connected with absence from work as a result of ill health, accident, maternity, payment of family, education or other allowances in respect of dependants. 5% of expenditure in this function was in the form of compensation of employees, e.g. wages and salaries of staff administrating social protection schemes, 3% was in the form of intermediate consumption (purchases of goods and services) and 2% related to other current transfers, for example to non-profit institutions serving households or for non-means tested assistance to households.

Evolution of 'expenditure on social protection'

Compared to 1995, expenditure on 'social protection' has increased at the EU level as a share of total expenditure from 36.5% of total expenditure in 1995 to 39.3% of total expenditure in 2023. Compared to the period between 2016 and 2020 with the notably higher share of general government total expenditure (above 41% on average), in 2021 (39.6%), 2022 and 2023 (39.3% in both years), in the EU, the share of social protection in total expenditure

stood at a comparatively low level.

As a percentage of GDP, expenditure on 'social protection' remained at a high level in 2023 (19.2% of GDP), still influenced by government expenditure measures to mitigate the impact of increasing energy prices strongly influenced the level of expenditure on 'social protection' in 2023. The decrease in the ratio compared to the previous year was mainly due to the increase in the nominal GDP, which overweighed the effect of the increase in total expenditure in nominal terms in this division from € 3 122 billion in 2022 to € 3 309 billion in 2023.

Over the period between 1995 and 2023, the expenditure on 'social protection' as a ratio to GDP slightly decreased from 19.4% of GDP in 1995 to 19.2% of GDP in 2023. The strongest annual increases of the ratio were reported in 2020 (+2.6 percentage points (pp)) and in 2009 (+1.9 pp). This was a consequence of decreases in the GDP in both periods as well as increases in total expenditure on 'social protection' to mitigate the effects of the COVID-19 pandemic in 2020.
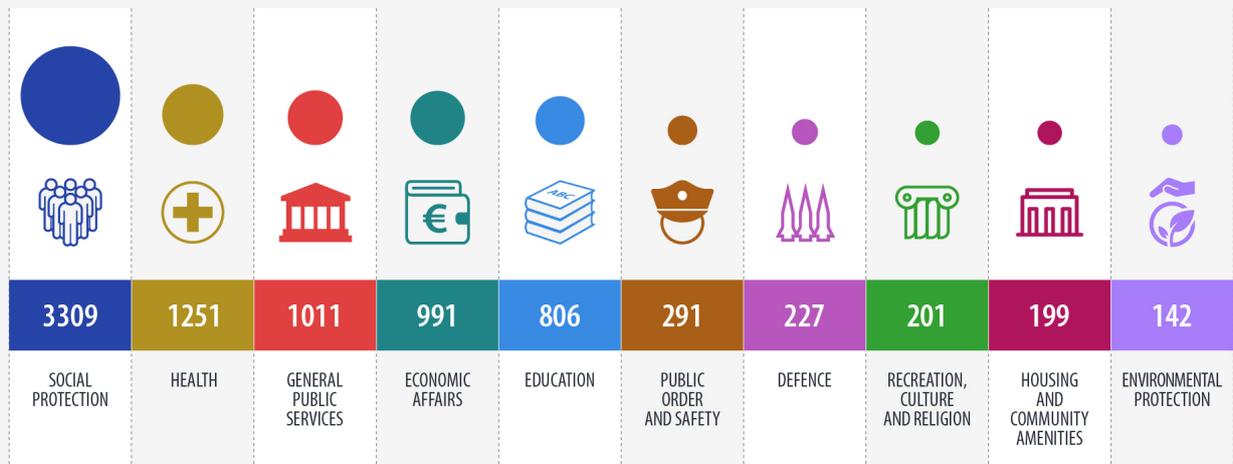
After a notable increase from 1.4% of GDP in 2008 to 1.9% in 2009, gradually decreasing in the following years until 2019 (1.3% of GDP), expenditure on ' **unemployment'** in the EU sharply increased in 2020 (2.2% of GDP) due to the government measures to mitigate the economic and social impact of the COVID-19 pandemic (e.g. due to an increase in the number of claimants of unemployment benefits and additional furlough scheme benefits in many countries). The ratio remained high in 2021 (1.7% of GDP), still impacted by the government measures, but declined to 1.2% of GDP in 2022 and 2023, below the pre-pandemic level. Between 2019 and 2023, at the EU level, expenditure on unemployment increased from € 180 billion in 2019 to € 298 billion in 2020 and decreased to € 246 billion in 2021 and € 189 billion in 2022. In 2023, the expenditure on unemployment increased to € 200 billion. This evolution was notably due to increased assistance during the COVID-19 pandemic, notably furlough schemes designed to prevent wide-spread unemployment.

Between 2021 and 2023, among the more detailed social protection functions, the strong decreases at EU level on ' **unemployment'** and ' **old age'** expenditure as a ratio to GDP were only partly compensated by smaller variations in expenditure on ' **social exclusion n.e.c.'** (1.0% of GDP in 2021, 1.2% of GDP in 2022 and 1.0% of GDP in 2023).

Not all the functions of government expenditure evolved the same in the period analysed. Some of the functions have a natural tendency to be counter-cyclical, even without a change in policy. For example, government expenditure on unemployment benefits (part of social protection) is more prone to have a natural counter-cyclical evolution than other functions, such as government expenditure on education. During an economic crisis, more people become unemployed, whereas the number of pupils and students is more affected by long-term demographic changes.

General government expenditure by function in the EU, 2023

(€ billion)

Function	€ billion
SOCIAL PROTECTION	3309
HEALTH	1251
GENERAL PUBLIC SERVICES	1011
ECONOMIC AFFAIRS	991
EDUCATION	806
PUBLIC ORDER AND SAFETY	291
DEFENCE	227
RECREATION, CULTURE AND RELIGION	201
HOUSING AND COMMUNITY AMENITIES	199
ENVIRONMENTAL PROTECTION	142

Data is provisional.

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Source: Eurostat (gov_10a_exp)

Source data for tables and graphs

- Download Excel file

Data sources and availability

Reporting of data to Eurostat

Annual government finance statistics (GFS) data are collected by Eurostat on the basis of the European System of Accounts (ESA 2010) transmission programme. Member States are requested to transmit, among other tables, table 1100, 'Expenditure of general government by function' eleven months after the end of the reference period. Table 1100 provides information about expenditure of the general government sector divided into main COFOG functions and ESA 2010 categories. The transmission of the COFOG I level breakdown (divisions) is compulsory for the years 1995 onwards, whereas information on the COFOG II level (COFOG groups) at general government level is provided on a compulsory basis for the reference years 2001 onwards. The main reference year used in this publication is 2023 as the latest year available at EU level.

Data was extracted on 21 March 2025.

Provisional data

While a significant effort was undertaken to harmonise the recording of government measures to alleviate the impact of increasing energy prices, a full harmonisation was not yet achieved.

Data for the EU and euro area aggregates (2023), Belgium (2023), Germany (2021-2023), Spain (2023), France (all years), Portugal (2023) and Slovakia (all years) is provisional.

Definition of general government and its subsectors

The data relate to the general government sector of the economy, as defined in ESA 2010, paragraph 2.111: 'The general government sector (S.13) consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units

belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth'.

Classification of functional expenditure of government

The Classification of the Functions of Government (COFOG) classifies government expenditure into ten main categories (divisions known as the 'COFOG I level' breakdown): general public services; defence; public order and safety; economic affairs; environmental protection; housing and community affairs; health; recreation, culture and religion; education; social protection. These divisions are further broken down into 'groups' (COFOG II level).

For 'social protection', the groups are

- 'sickness and disability',

- 'old age',

- 'survivors',

- 'family and children',

- 'unemployment' ,

- 'housing',

- 'social exclusion n.e.c.',

- 'R&D social protection',

- 'social protection n.e.c.'

Further information is available in the Eurostat Manual on sources and methods for the compilation of COFOG Statistics.

Satellite accounts

Administrative expenditure data is additionally collected in so-called satellite accounts. In general, the amount of expenditure recorded in satellite accounts is expected to exceed the expenditure recorded under the respective COFOG division. More details on the comparability of COFOG data with satellite accounts data can be found in the COFOG manual.

Definition of general government total expenditure

Government total expenditure is defined in ESA 2010, paragraph 8.100 by using as reference a list of ESA 2010 categories. More detail is provided in the overview article on Government expenditure by function – COFOG .

Gross Domestic Product

Throughout this publication, nominal GDP, i.e. GDP at current prices is used.

Time of recording & symbols used

In the ESA 2010 system, recording is on an accrual basis, that is, when 'economic value is created, transformed or extinguished, or when claims and obligations arise, are transformed or are cancelled.'

":" not available

"pp" percentage points

More data and information

For more country-specific notes, e.g. on missing data, please refer to the metadata published on Eurobase. The authors can be contacted at ESTAT-GFS@ec.europa.eu

Context

In the framework of the European System of National Accounts (ESA 2010), Eurostat collects data on general government expenditure by economic function according to the international Classification of the Functions of Government (COFOG) – see methodological note.

Explore further

Other articles

- Government expenditure by function - online publication

- Government expenditure by function – COFOG - overview article

- Government finance statistics

- Government finance statistics - quarterly data

- Structure of government debt

- Tax revenue statistics

Database

- Government finance statistics and EDP statistics , see:

Government statistics (gov)

    Government finance statistics (EDP and ESA2010) (gov_gfs10)
        Annual government finance statistics (gov_10a)
            Government revenue, expenditure and main aggregates (gov_10a_main)
            General government expenditure by function (COFOG) (gov_10a_exp)
            Main national accounts tax aggregates (gov_10a_tax_ag)

Thematic section

- Government finance statistics

Methodology

- Government revenue, expenditure and main aggregates (ESMS metadata file — gov_10a_main_esms)

- General government expenditure by function (COFOG) (ESMS metadata file — gov_10a_exp_esms)

- Manual on sources and methods for the compilation of COFOG statistics - Classifications of the Functions of Government - 2019 edition

- Manual on government deficit and debt — implementation of ESA 2010 — 2022 edition

Legislation

- European system of accounts - ESA 2010

Selected datasets

- Government finance statistics and EDP statistics , see:

Government statistics (t_gov)

    Annual government finance statistics (t_gov_10a)