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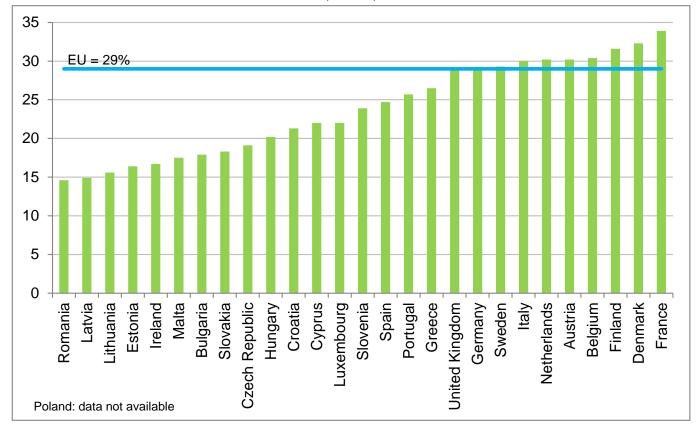
# Social protection in 2015 Almost one-third of EU GDP spent on social protection

Highest ratios in France, Denmark and Finland

Since 2010, social protection expenditure in the **European Union** (EU) has increased slightly, from 28.6% of GDP in 2010 to 29.0% in 2015, according to data from **Eurostat**, the statistical office of the European Union. In 2015, the two main sources of funding of social protection at **EU** level were social contributions, making up 54% of total receipts, and general government contributions from taxes at 43%.

The EU average continued to mask major disparities between Member States. In 2015, social protection expenditure represented at least 30% of GDP in France (34%), **Denmark** and **Finland** (both 32%), **Belgium**, the **Netherlands**, **Austria** and **Italy** (all 30%). In contrast, social protection expenditure stood below 20% of GDP in **Romania** and **Latvia** (both 15%), **Lithuania** and **Estonia** (both 16%), **Ireland** (17%), **Malta, Bulgaria** and **Slovakia** (all 18%) as well as in the **Czech Republic** (19%).

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, 2015 (% GDP)

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

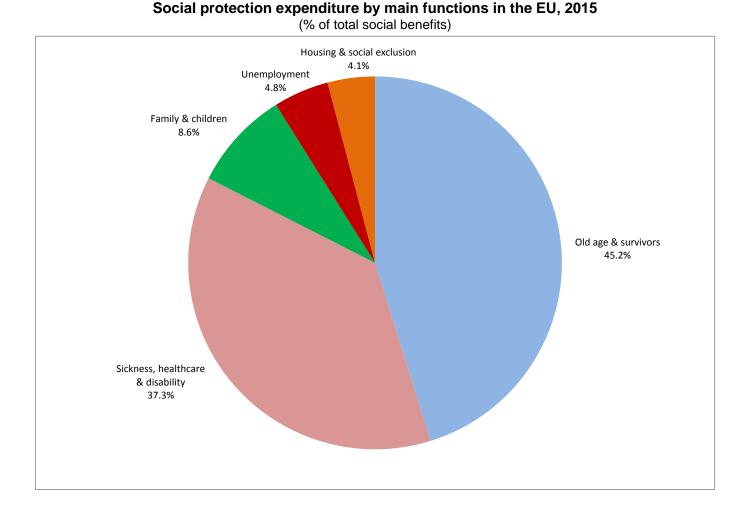
In 2015, social protection expenditure per capita in PPS (Purchasing Power Standards), which eliminates price level differences between countries, showed large differences between EU Member States. After **Luxembourg** (see country note), the highest expenditure per capita were recorded in **Denmark** and **Austria** (over 11 thousand PPS). In contrast, the lowest spendings per capita were registered in **Romania**, **Bulgaria** and **Latvia** (under 3 thousands PPS).

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

On average in the **EU**, old age & survivors benefits accounted for 45% of total social benefits in 2015 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%), **Italy** and **Portugal** (both 58%), **Romania** and **Cyprus** (both 55%), while it was lowest in **Ireland** (33%), **Luxembourg** and **Germany** (both 39%), the **United Kingdom** (41%) and **Belgium** (42%).

Sickness/health care and disability benefits accounted for 37% of total social benefits on average in the **EU** in 2015. Amongst Member States, the share of these benefits ranged from 26% in **Cyprus** and **Greece** to over 40% in **Croatia** (46%), **Germany** and the **Netherlands** (both 43%), the **United Kingdom** (41%) and **Slovakia** (40%).

Family and children benefits accounted for slightly less than 9% of total social benefits on average in the **EU** in 2015, unemployment benefits for 5% and housing and social exclusion benefits for 4%. The share of family benefits in the total ranged from 4% in the **Netherlands** to almost 16% in **Luxembourg**. Unemployment benefits varied between less than 1% in **Romania** and 12% in **Ireland**, and housing and social exclusion benefits from less than 1% in **Greece**, **Estonia**, **Portugal** and **Italy** to 8% in **Cyprus** and 7% in both **Denmark** and the **United Kingdom**.



## Social protection expenditure, 2015

	Expenditure				Benefits by function, in % of total social benefits, 2015				
	in 2010	% of GI 2014	OP 2015	Thousand PPS per capita, 2015	Family & Children	Unemploy- ment	Sickness / healthcare & disability	Old age & survivors	Housing & Social exclusion
EU*	28.6	28.7	29.0	:	8.6	4.8	37.3	45.2	4.1
Belgium	29.4	30.2	30.4	10.3	7.3	10.7	37.4	41.5	3.1
Bulgaria	17.0	18.5	17.9	2.7	11.0	2.9	34.4	50.2	1.6
Czech Republic	20.1	19.7	19.1	5.2	8.8	2.7	38.3	47.3	3.0
Denmark	32.4	32.9	32.3	11.3	11.2	4.9	33.2	43.8	7.0
Germany	29.8	29.0	29.2	10.8	11.4	3.7	42.9	39.1	3.0
Estonia	17.6	15.1	16.4	3.7	12.8	2.7	39.9	43.9	0.7
Ireland**	25.3	21.8	16.7	7.5	12.4	12.2	38.5	32.9	4.1
Greece	25.9	26.1	26.5	5.2	4.1	4.0	25.9	65.4	0.6
Spain	24.6	25.4	24.7	6.3	5.3	9.0	34.5	49.8	1.4
France	32.9	34.2	33.9	10.8	7.7	6.2	34.9	45.6	5.5
Croatia	21.1	21.6	21.3	3.6	7.1	2.4	45.7	43.8	1.1
Italy	28.9	29.9	30.0	8.2	6.0	5.9	28.9	58.3	0.9
Cyprus	19.9	21.7	22.0	5.2	6.2	5.7	25.5	54.9	7.7
Latvia	18.3	14.5	14.9	2.8	10.7	4.0	33.9	50.2	1.3
Lithuania	19.0	15.2	15.6	3.5	7.5	3.4	39.5	47.3	2.3
Luxembourg	22.7	22.7	22.0	15.0	15.5	6.6	35.7	38.5	3.7
Hungary	22.6	19.9	20.2	4.3	12.0	1.6	35.1	49.2	2.1
Malta	19.3	18.3	17.5	4.6	6.7	3.0	36.6	51.2	2.5
Netherlands	29.7	30.9	30.2	11.0	3.9	5.2	42.5	42.4	6.0
Austria	29.8	30.0	30.2	11.0	9.6	5.6	32.1	50.3	2.3
Poland	19.7	19.1	:	:	:	:	:	:	:
Portugal	25.8	26.9	25.7	5.6	4.7	4.6	31.6	58.3	0.9
Romania	17.3	14.8	14.6	2.6	8.8	0.7	34.0	55.2	1.3
Slovenia	24.4	24.1	23.9	5.7	7.6	2.7	38.1	48.3	3.3
Slovakia	18.2	18.5	18.3	4.3	9.1	2.9	40.1	45.9	2.0
Finland	29.3	31.9	31.6	10.1	10.3	8.5	33.7	42.5	5.1
Sweden	28.6	29.5	29.3	10.2	10.5	3.7	37.9	43.1	4.9
United Kingdom	29.1	27.5	28.8	8.5	9.6	1.4	40.8	41.2	7.0
Iceland	23.3	23.9	23.0	8.0	11.1	2.4	52.2	28.7	5.6
Norway	25.2	26.0	27.9	12.6	11.9	2.4	46.4	35.8	3.5
Switzerland	25.5	27.0	27.6	11.7	6.1	3.7	38.9	48.0	3.4

\*

EU aggregates for 2015 exclude Poland for which data are not available The Irish Gross Domestic Product for 2015, used as a denominator in ratios presented in this News Release, was substantially affected by the relocation from outside the EU to Ireland of balance sheets of large multi-national enterprises. More information can be found <u>here</u>. \*\* : Data not available

The source datasets can be found here (expenditure) and here (benefits by function).

### **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.

2015 data for the EU presented in this news release exclude Poland for which data are not available.

#### 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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