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Social protection

EU28 spent 29.1% of GDP on social protection in 2011**Highest ratios in Denmark, France and the Netherlands**

After a rise between 2008 and 2009, social protection expenditure¹ in the **EU28** fell slightly from 29.7% of GDP in 2009 to 29.4% in 2010 and 29.1% in 2011, according to data from **Eurostat, the statistical office of the European Union**. The increase observed in the ratio between 2008 and 2009 was mainly a result of the economic crisis, as total social protection expenditure in nominal terms² in the **EU28** grew (particularly due to the strong growth of unemployment benefits), while GDP fell. The fall between 2009 and 2011 was due to social protection expenditure growing more slowly than GDP. This fall masks different trends at Member State level. In 2011, the two main sources of funding of social protection at **EU28** level were general government contributions from taxes, making up 40% of total receipts, and social contributions at 56%.

The **EU28** average continued to mask major disparities between Member States. Social protection expenditure as a percentage of GDP was 30% or more in 2011 in **Denmark** (34.3%), **France** (33.6%), the **Netherlands** (32.3%), **Belgium** (30.4%), **Greece** (30.2%) and **Finland** (30.0%), and below 20% in **Latvia** (15.1%), **Estonia** (16.1%), **Romania** (16.3%), **Lithuania** (17.0%), **Bulgaria** (17.7%), **Slovakia** (18.2%), **Malta** (18.9%) and **Poland** (19.2%). 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.

Expenditure per capita seven times higher in Luxembourg than in Romania

In 2011, social protection expenditure per capita in PPS³ (Purchasing Power Standards), which eliminates price level differences between countries, was nearly seven times higher in **Luxembourg**⁴ than in **Romania**. After **Luxembourg**, the highest spending per capita was recorded in the **Netherlands** and **Denmark** at around 40% above the EU28 average, followed by **Austria** at around 30% above the average, and **France**, **Germany** and **Sweden** at around 25% above. The lowest spending per capita was registered in **Romania** and **Bulgaria** at less than 30% of the EU28 average.

Highest share for old age & survivors benefits in Italy and Poland

On average in the **EU28**, old age & survivors benefits accounted for 46% of total social benefits in 2011, and were the major part of social protection benefits in nearly all Member States. The share of old age & survivors benefits in the total was highest in **Italy** (61%), **Poland** (58%), **Portugal**, **Latvia** and **Malta** (all 55%), and lowest in **Ireland** (23%), **Luxembourg** (37%) and **Croatia** (38%).

Sickness/health care & disability benefits accounted for 37% of total social benefits on average in the **EU28** in 2011. They represented the largest share of social protection benefits in **Germany**, **Ireland**, **Croatia** and the **Netherlands**. Amongst the Member States, the share of these benefits ranged from 26% in **Cyprus** and 30% in **Latvia** to 51% in **Croatia** and 49% in **Ireland**.

Family benefits accounted for 8% of total social benefits on average in the **EU28** in 2011, unemployment benefits for 6% and housing & social exclusion benefits for 4%. The share of family benefits in the total ranged from 4% in the **Netherlands** to 16% in **Luxembourg**. Unemployment benefits varied between 2% in **Poland**, **Romania** and **Croatia** and 15% in **Spain**, and housing & social exclusion benefits between less than 1% in **Italy** and **Croatia** and 11% in **Cyprus**.

Social protection expenditure, 2011

	Expenditure:					Benefits by function, in % of total social benefits:				
	in % of GDP				PPS per capita, 2011 EU28=100	Old age & survivors	Sickness/ healthcare & disability	Family & children	Unemployment	Housing & social exclusion
	2008	2009	2010	2011						
EU28	26.8	29.7	29.4	29.1	100	45.7	37.1	8.0	5.6	3.6
Belgium	28.3	30.6	30.1	30.4	121	39.8	36.3	7.8	12.8	3.3
Bulgaria	15.5	17.2	18.1	17.7	29	50.2	33.9	11.0	3.4	1.5
Czech Republic	18.0	20.3	20.2	20.4	58	48.9	39.5	5.9	3.6	2.1
Denmark	30.7	34.7	34.3	34.3	138	43.4	33.3	12.5	5.5	5.3
Germany	28.0	31.5	30.6	29.4	125	40.4	41.1	11.1	4.6	2.8
Estonia	14.9	19.0	18.0	16.1	38	44.0	39.4	12.4	2.9	1.2
Ireland	21.5	26.5	28.5	29.6	121	23.4	49.5	12.0	11.5	3.6
Greece	26.2	28.0	29.1	30.2	84	52.1	30.7	6.2	7.4	3.5
Spain	22.2	25.4	25.8	26.1	83	43.8	34.4	5.4	14.6	1.7
France	31.3	33.6	33.8	33.6	127	45.4	34.7	8.2	6.6	5.0
Croatia	18.7	20.8	21.0	20.6	41	38.1	51.1	8.0	2.4	0.4
Italy	27.7	29.9	29.9	29.7	101	61.3	30.6	4.8	2.9	0.3
Cyprus	19.5	21.1	22.1	22.8	72	48.1	26.0	9.0	5.4	11.4
Latvia	12.7	16.9	17.8	15.1	30	54.9	30.0	7.6	4.8	2.7
Lithuania	16.1	21.2	19.1	17.0	40	44.1	37.3	10.4	3.4	4.7
Luxembourg	21.4	24.3	23.1	22.5	184	37.4	37.1	16.5	5.3	3.7
Hungary	22.9	24.3	23.1	23.0	53	46.3	35.3	12.5	3.7	2.2
Malta	18.1	19.6	19.4	18.9	56	54.6	33.5	6.4	2.8	2.7
Netherlands	28.5	31.6	32.1	32.3	144	39.4	43.4	4.0	4.8	8.4
Austria	28.5	30.7	30.6	29.5	131	50.6	32.8	9.9	5.3	1.5
Poland	18.6	19.2	19.2	19.2	46	58.1	32.0	7.2	1.5	1.1
Portugal	24.3	26.8	26.8	26.5	69	55.2	33.3	4.9	5.5	1.2
Romania	14.3	17.1	17.6	16.3	28	53.7	34.2	8.9	1.6	1.7
Slovenia	21.4	24.2	25.0	25.0	71	47.0	38.5	8.9	3.3	2.3
Slovakia	16.1	18.8	18.7	18.2	48	43.6	39.4	9.9	4.7	2.4
Finland	26.2	30.4	30.6	30.0	115	40.0	37.4	11.2	7.0	4.4
Sweden	29.5	32.0	30.4	29.6	125	42.8	38.7	10.7	4.0	3.9
United Kingdom	25.8	28.6	27.4	27.3	102	43.6	40.8	6.4	2.6	6.6
Iceland	22.0	25.4	24.5	25.0	96	25.6	48.3	11.4	6.3	8.4
Norway	22.2	26.0	25.6	25.2	151	33.1	48.0	12.5	2.7	3.6
Switzerland	24.6	26.8	26.8	26.6	133	49.2	39.0	5.3	3.1	3.4
Serbia*	:	:	24.6	:	:	53.7	35.2	5.4	3.6	2.1

* 2010 data

: Data not available

Data for 2010 and 2011 are provisional.

1. 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 ESSPROS Manual, available from the Eurostat website:
http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-11-014/EN/KS-RA-11-014-EN.PDF
2. In nominal terms: at current prices and current exchange rates.
3. 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".
4. 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).

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