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Social protection

EU27 spent 29.4% of GDP on social protection in 2010

Highest ratios in France, Denmark and the Netherlands

Over recent years, social protection expenditure¹ in the **EU27** rose from a low of 26.1% of GDP in 2007 to reach 29.6% in 2009 and 29.4% in 2010, according to data from **Eurostat, the statistical office of the European Union**. This increase in the ratio is in large part a result of the economic crisis, as in nominal terms total social protection expenditure in the **EU27** grew by around 10% between 2007 and 2010, while GDP remained nearly stable. While expenditure on main categories of benefits (pensions, health care, family) all rose by about 10%, expenditure on unemployment increased by a third. In 2010, the two main sources of funding of social protection at **EU27** level were general government contributions from taxes, making up 40% of total receipts, and social contributions at 56%.

The **EU27** average continued to mask major disparities between Member States. Social protection expenditure as a percentage of GDP was above 30% in 2010 in **France** (33.8%), **Denmark** (33.3%), the **Netherlands** (32.1%), **Germany** (30.7%), **Finland** (30.6%), **Austria** and **Sweden** (both 30.4%), and below 20% in **Romania** (17.6%), **Latvia** (17.8%), **Bulgaria** and **Estonia** (both 18.1%), **Slovakia** (18.6%), **Poland** (18.9%), **Lithuania** (19.1%) and **Malta** (19.8%). 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 highest in Luxembourg, Netherlands and Denmark

In 2010, social protection expenditure per capita in PPS² (Purchasing Power Standards), which eliminates price level differences between countries, was nearly eight times higher in **Luxembourg**³ than in **Bulgaria**. After **Luxembourg**, the highest spending per capita was recorded in the **Netherlands** and **Denmark** at over 40% above the EU27 average, followed by **Austria**, **Ireland** and **Sweden** at around 30% above the average. The lowest spending per capita was registered in **Bulgaria** and **Romania** at less than 30% of the EU27 average.

Old age & survivors benefits account for 45% of social protection benefits

On average in the **EU27**, old age & survivors benefits accounted for 45% of total social benefits in 2010, 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 **Poland** and **Italy** (both 61%) and **Malta** (55%), and was lowest in **Ireland** (23%), **Luxembourg** (36%) and **Denmark** (38%).

Sickness/health care and disability benefits accounted for 37% of total social benefits on average in the **EU27** in 2010. They represented the largest share of social protection benefits in **Germany**, **Ireland**, **Luxembourg** and the **Netherlands** and the second largest in all other Member States. Amongst the Member States, the share of these benefits ranged from 27% in **Cyprus** and 28% in **Latvia** to 48% in **Ireland** and 43% in the **Netherlands**.

Family benefits accounted for 8% of total social benefits on average in the **EU27** in 2010, 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** and **Poland** to 18% in **Luxembourg**. Unemployment benefits varied between 2% of the total in **Poland** and 14% in **Spain**, and housing & social exclusion benefits between less than 1% in **Italy** and 12% in **Cyprus**.

Social protection expenditure, 2010

	Expenditure:				Benefits by function, in % of total social benefits:				
	in % of GDP			PPS per capita, EU27=100	Old age & survivors	Sickness/ healthcare & disability	Family & children	Unemployment	Housing & social exclusion
	2007	2009	2010						
EU27	26.1	29.6	29.4	100	45.0	37.4	8.0	6.0	3.6
Belgium	26.9	30.4	29.9	121	39.6	35.7	7.7	13.3	3.6
Bulgaria	14.1	17.2	18.1	27	51.5	32.2	11.4	3.4	1.5
Czech Republic	18.0	20.3	20.1	55	47.2	40.1	6.8	4.2	1.7
Denmark	28.8	33.2	33.3	143	37.7	37.4	12.4	7.5	5.0
Germany	27.9	31.5	30.7	124	40.2	40.4	10.9	5.8	2.7
Estonia	12.1	19.3	18.1	39	44.2	37.7	12.7	4.2	1.1
Ireland	18.9	27.4	29.6	129	23.4	48.0	12.9	12.4	3.3
Greece	24.8	28.0	29.1	87	50.1	33.9	6.4	6.1	3.6
Spain	20.7	25.3	25.7	87	42.4	35.7	6.0	14.1	1.8
France	30.9	33.6	33.8	124	44.9	35.0	8.3	6.9	5.0
Italy	26.6	29.9	29.9	102	60.6	31.5	4.6	2.9	0.3
Cyprus	18.2	21.1	21.6	71	45.7	26.9	10.0	5.0	12.4
Latvia	11.3	16.9	17.8	31	53.5	28.4	8.5	7.4	2.2
Lithuania	14.4	21.2	19.1	37	44.0	35.8	11.9	4.4	3.9
Luxembourg	19.3	24.0	22.7	207	36.2	36.9	17.8	5.6	3.6
Hungary	22.7	23.5	23.1	51	46.4	33.7	13.0	4.0	2.9
Malta	18.0	20.0	19.8	56	54.9	33.6	6.3	2.8	2.5
Netherlands	28.3	31.6	32.1	145	39.2	43.4	4.1	5.2	8.1
Austria	27.8	30.6	30.4	130	49.6	32.8	10.4	5.7	1.5
Poland	18.1	19.2	18.9	40	60.9	31.6	4.2	2.2	1.1
Portugal	23.9	27.0	27.0	73	51.7	35.6	5.7	5.7	1.3
Romania	13.6	17.1	17.6	28	50.7	34.7	9.6	3.2	1.7
Slovenia	21.3	24.2	24.8	72	46.3	39.6	8.9	2.8	2.4
Slovakia	16.1	18.8	18.6	46	43.0	39.5	9.8	5.1	2.6
Finland	25.4	30.4	30.6	119	39.2	37.3	11.1	8.2	4.2
Sweden	29.2	32.0	30.4	129	42.1	39.1	10.4	4.5	3.9
United Kingdom	25.0	28.9	28.0	107	42.3	41.8	6.9	2.7	6.4
Iceland	21.4	25.4	24.5	93	23.5	49.4	12.9	6.8	7.4
Norway	22.5	26.1	25.6	158	31.6	49.0	12.5	3.2	3.6
Switzerland	25.2	26.9	26.6	138	48.8	38.4	5.2	4.3	3.3
Croatia	:	20.8	20.8	42	37.7	51.5	8.1	2.3	0.3
Serbia	:	:	24.6	:	53.7	35.2	5.4	3.6	2.1

: Data not available
Data for 2009 and 2010 are provisional.

1. Social protection expenditure and receipts are calculated in line with the of 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. 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.
3. Data on expenditure per capita for Luxembourg may be overestimated, 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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