

# Social protection statistics

*Data extracted in January 2015. Most recent data: Further Eurostat information, Main tables and Database .  
Planned article update: December 2015.*

This article analyses recent statistics on [social protection](#) in the [European Union \(EU\)](#) . Social protection encompasses interventions from public or private bodies intended to relieve [households](#) and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved.

## Main statistical findings

### Recent developments in social protection expenditure

As the impact of the financial and economic crisis was felt across the [EU-28](#) , [expenditure on social protection](#) relative to [gross domestic product \(GDP\)](#) increased by 2.8 percentage points between 2008 and 2009. This increase reflected a 4.2 % increase in overall social protection expenditure (in current prices), combined with a fall in GDP (-5.8 %). In 2010 and 2011, the value of social protection expenditure increased by 3.4 % and 1.8 % respectively; current price GDP grew at a faster pace, resulting in the ratio of social protection expenditure to GDP falling by 0.1 and 0.4 percentage points in 2010 and 2011. In 2012, there was a change in developments, as social protection expenditure increased by 3.5 % compared with GDP growth of 2.0 %, resulting in a 0.5 percentage point increase in the ratio of social protection expenditure to GDP, such that it stood at 29.5 % in the EU-28 and was 2.8 percentage points above its 2008 level (26.7 %).

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU-28	:	:	:	:	:	:	26.7	29.5	29.4	29.0	29.5
EU-27	:	:	:	27.0	26.6	26.1	26.7	29.6	29.4	29.0	29.5
<b>Euro area (EA-18)</b>	<b>27.3</b>	<b>27.7</b>	<b>27.6</b>	<b>27.6</b>	<b>27.2</b>	<b>26.8</b>	<b>27.5</b>	<b>30.3</b>	<b>30.3</b>	<b>30.0</b>	<b>30.4</b>
Belgium	26.8	27.5	27.6	27.5	27.1	26.9	28.3	30.6	30.1	30.4	30.8
Bulgaria	:	:	:	15.1	14.2	14.1	15.5	17.2	18.1	17.7	17.4
Czech Republic	19.4	19.4	18.6	18.4	18.0	18.0	18.0	20.3	20.2	20.4	20.8
Denmark	29.7	30.9	30.7	30.2	29.2	30.7	30.7	34.7	34.3	34.3	34.6
Germany	30.4	30.8	30.0	29.9	28.7	27.7	28.0	31.5	30.6	29.4	29.5
Estonia	12.7	12.5	13.0	12.6	12.1	12.1	14.9	19.0	18.0	16.1	15.4
Ireland	16.4	17.0	17.2	17.2	17.5	18.0	21.2	26.2	29.0	30.2	32.5
Greece	24.0	23.5	23.6	24.9	24.8	24.8	26.2	28.0	29.1	30.2	31.2
Spain	20.0	20.3	20.3	20.6	20.5	20.8	22.0	25.2	25.5	26.0	25.9
France (*)	30.5	31.0	31.4	31.5	31.2	30.9	31.3	33.6	33.7	33.4	34.2
Croatia	:	:	:	:	:	:	18.7	20.8	21.0	20.7	21.2
Italy	25.2	25.7	25.9	26.3	26.6	26.6	27.7	29.9	29.9	29.7	30.3
Cyprus	16.3	18.4	18.1	18.4	18.5	18.2	19.5	21.1	22.1	22.8	23.1
Latvia	14.3	14.0	13.2	12.8	12.7	11.3	12.7	16.9	17.8	15.1	14.0
Lithuania	14.0	13.5	13.4	13.2	13.3	14.4	16.1	21.2	19.1	17.0	16.5
Luxembourg	21.6	22.1	22.3	21.7	20.4	19.3	21.4	24.3	23.1	22.5	23.3
Hungary	20.4	21.3	20.8	21.9	22.5	22.7	22.9	23.4	23.1	22.1	21.8
Malta	17.2	17.4	18.0	17.8	17.7	17.7	18.1	19.6	19.1	18.7	19.4
Netherlands	27.6	28.3	28.3	27.9	28.8	28.3	28.5	31.6	32.1	32.3	33.3
Austria	28.9	29.4	29.0	28.8	28.3	27.9	28.5	30.7	30.6	29.8	30.2
Poland	21.1	21.0	20.4	20.0	19.7	18.5	19.4	20.6	20.0	19.1	18.1
Portugal	22.8	23.2	23.8	24.5	24.5	23.9	24.3	26.8	26.8	26.5	26.9
Romania	13.6	13.1	12.8	13.4	12.8	13.6	14.4	17.2	17.6	16.4	15.6
Slovenia	24.3	23.6	23.3	23.0	22.7	21.3	21.4	24.2	25.0	25.0	25.4
Slovakia	19.1	18.4	17.2	16.5	16.4	16.1	16.1	18.8	18.7	18.3	18.4
Finland	25.7	26.6	26.7	26.7	26.4	25.4	26.2	30.4	30.6	30.0	31.2
Sweden	31.3	32.2	31.6	31.1	30.3	29.2	29.5	32.0	30.4	29.7	30.5
United Kingdom	25.6	25.5	25.7	25.8	25.6	24.7	25.6	28.3	27.9	28.0	28.8
Iceland	21.2	23.0	22.6	21.7	21.2	21.4	22.0	25.4	24.5	25.0	25.2
Norway	26.0	27.2	25.7	23.7	22.4	22.5	22.2	26.0	25.6	25.1	25.0
Switzerland	26.4	27.7	27.2	27.2	25.9	25.2	24.5	26.9	27.0	26.8	27.5
Serbia	:	:	:	:	:	:	:	:	24.6	23.2	24.4
Turkey (*)	9.6	10.7	10.9	11.0	11.2	11.6	11.9	14.1	13.5	13.2	13.8

(\*) 2006 and 2009: break in series.

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Source: Eurostat (online data code: spr\_exp\_sum)

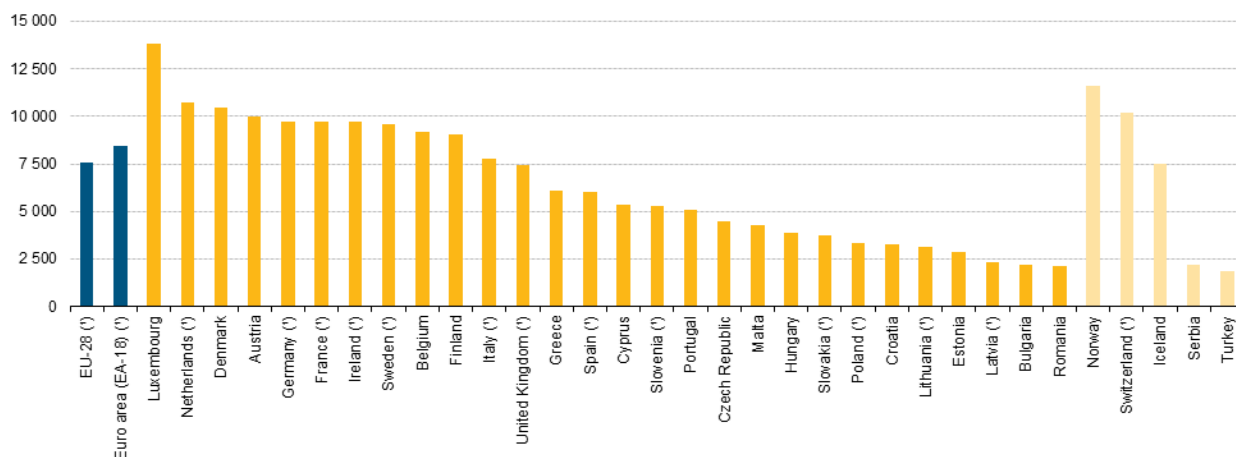
**Table 1: Expenditure on social protection, 2002–12(% of GDP) - Source: Eurostat (spr\_exp\_sum)**

Among the EU Member States, the level of social protection expenditure in relation to GDP in 2012 was highest in Denmark (34.6 %), France (34.2 %) and the Netherlands (33.3 %), while Ireland, Greece, Finland, Belgium, Sweden, Italy and Austria also reported ratios of 30.0 % or more. By contrast, social protection expenditure represented less than 20.0 % of GDP in Poland, Malta, Slovakia, Poland, Bulgaria, Lithuania, Romania, Estonia and Latvia (where the lowest share was registered, at 14.0 %); Turkey reported an even lower ratio, just 13.8 %.

In Ireland, expenditure on social protection relative to GDP in 2012 remained 11.3 percentage points higher than it had been in 2008, which was the largest increase over this period among the EU Members States. Greece, Finland, the Netherlands, Slovenia, Denmark, Spain, Cyprus and the United Kingdom all recorded increases ranging from 3.2 percentage points to 5.0 percentage points during the same period. By contrast, the increase in the ratio of expenditure on social protection to GDP between 2008 and 2012 was 1.0 percentage point or less in Sweden, Estonia and Lithuania; while in Hungary and Poland this ratio was lower in 2012 than it had been in 2008.

## Adjustment for price level differences

The use of a **purchasing power standard (PPS)** facilitates a comparison of the level of social protection expenditure **per inhabitant** between countries, taking account of differences in **price levels** (see Figure 1). The highest level of expenditure on social protection per inhabitant in 2012 was registered for Luxembourg (about 13 800 PPS per inhabitant), followed some way behind by the Netherlands, Denmark, Austria, Germany, France, Ireland and Sweden — where social protection was more than 9 500 PPS per inhabitant. By contrast, expenditure in Romania, Bulgaria and Latvia was less than 2 500 PPS per inhabitant. These disparities between countries are partly related to different levels of wealth, but may also reflect differences in social protection systems, demographic trends, **unemployment rates** and other social, institutional and economic factors.

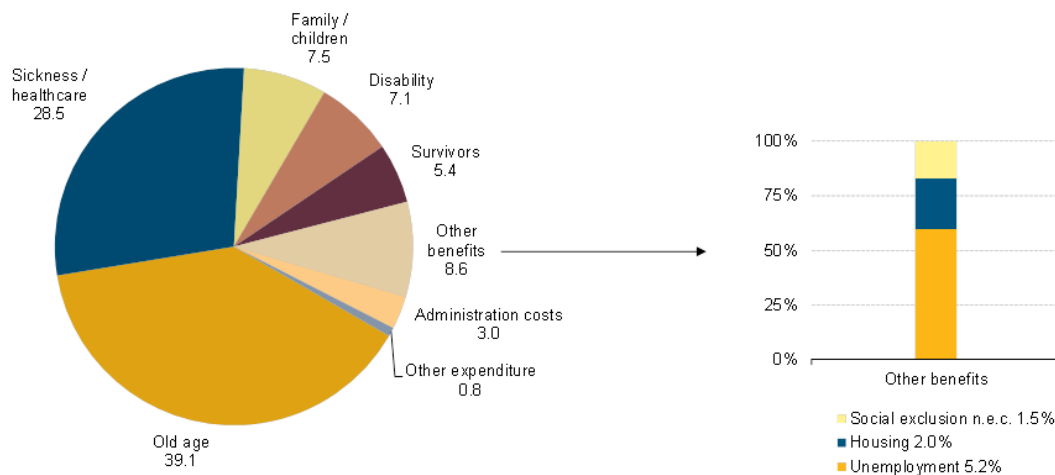


(\*) Provisional.  
Source: Eurostat (online data code: tps00100)

Figure 1: Expenditure on social protection in PPS per inhabitant, 2012(PPS) - Source: Eurostat (tps00100)

### Analysis of benefits and receipts

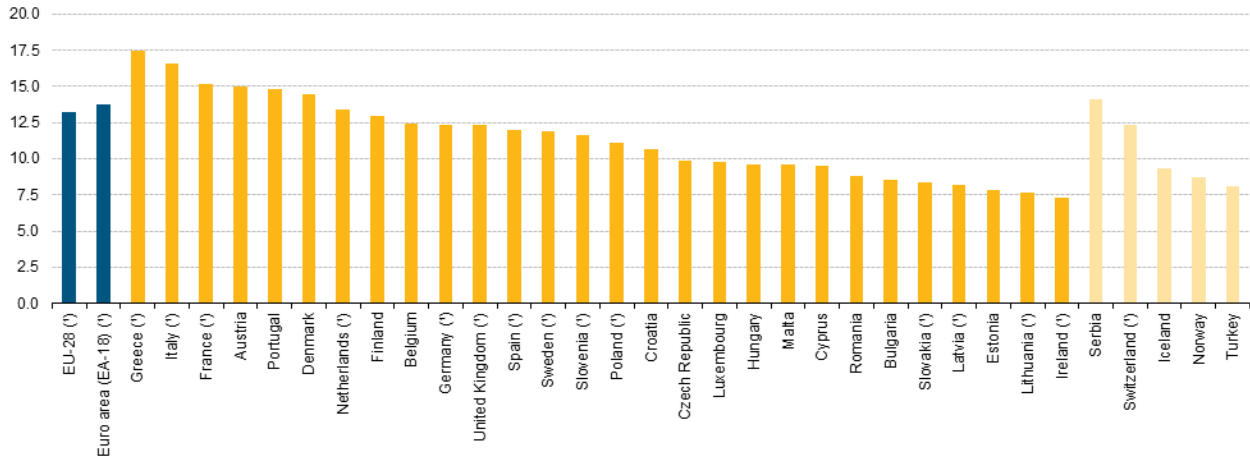
Social protection benefits made up 96.2 % of the EU-28's social protection expenditure in 2012; the remaining 3.8 % covered administration costs and other expenditure (see Figure 2). Old age and sickness / healthcare benefits together accounted for 67.6 % of total social protection expenditure while benefits related to family / children, disability, survivors and unemployment ranged between 5.2 % and 7.5 % each; housing and social exclusion benefits not elsewhere classified accounted for the remaining 2.0 % and 1.5 % respectively.



(\*) Provisional.  
Source: Eurostat (online data code: spr\_exp\_sum)

Figure 2: Structure of social protection expenditure, EU-28, 2012 (1)(% of total expenditure) - Source: Eurostat (spr\_exp\_sum)

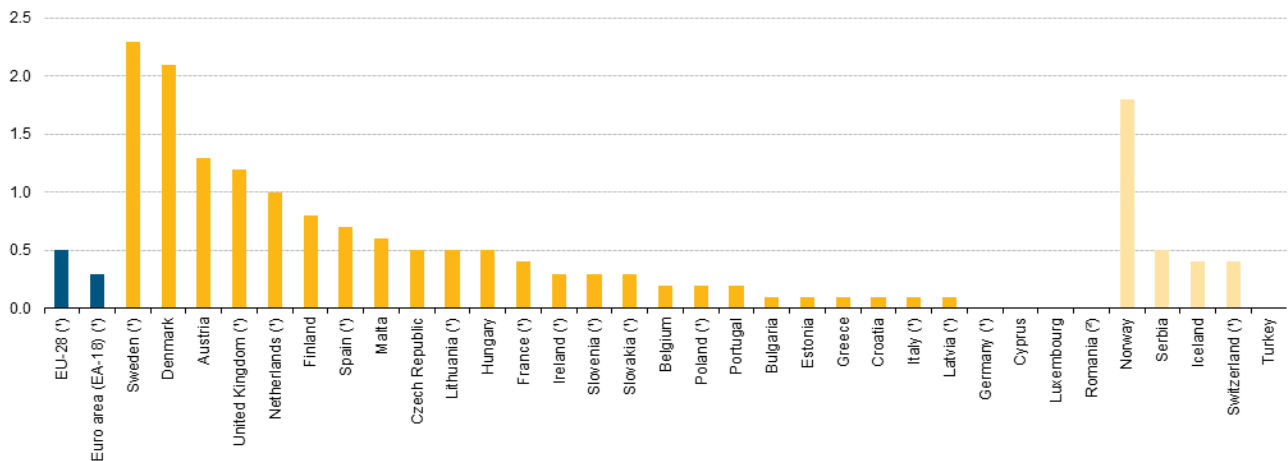
Expenditure on pensions across the EU-28 was equivalent to 13.2 % of GDP in 2012, ranging from a high of 17.5 % in Greece to a low of 7.3 % in Ireland (see Figure 3).



(\*) Provisional.  
Source: Eurostat (online data code: spr\_exp\_pens)

**Figure 3: Expenditure on pensions, 2012(% of GDP) - Source: Eurostat (spr\_exp\_pens)**

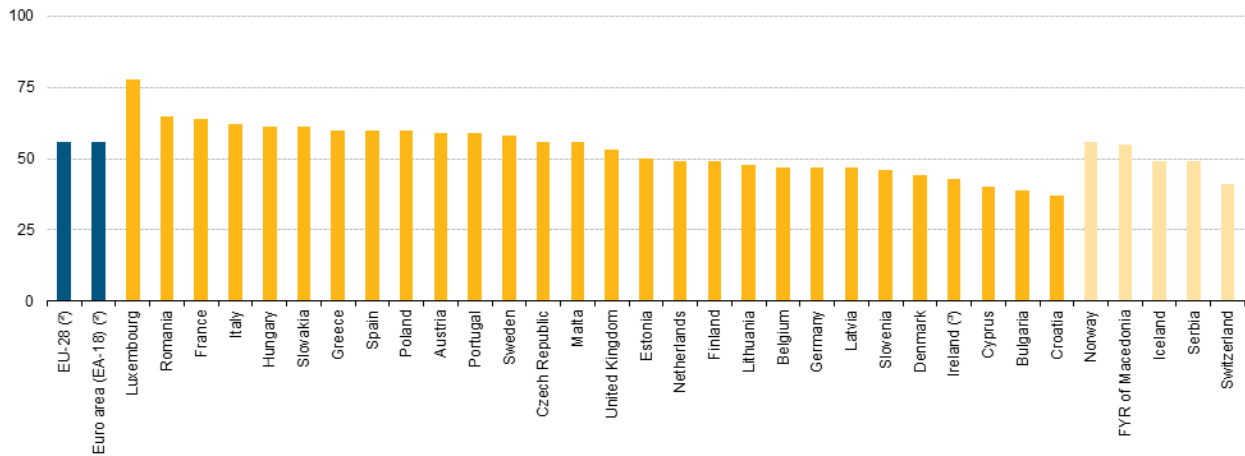
Expenditure on care for the elderly covers care allowance, accommodation, and assistance in carrying out daily tasks. Across the EU-28, this expenditure accounted for 0.5 % of GDP in 2012, although Sweden reported a rate that was between four and five times as high as the average; expenditure on the elderly was less than 0.1 % of GDP in Belgium, Germany, Cyprus, Luxembourg and Romania (see Figure 4).



(\*) Provisional.  
(\*) Estimate.  
Source: Eurostat (online data code: spr\_exp\_fol)

**Figure 4: Expenditure on care for the elderly, 2012(% of GDP) - Source: Eurostat (spr\_exp\_fol)**

Average (median) pension levels of 65 to 74 year-olds across the EU-28 are lower than average earnings for those aged 50 to 59 in 2013 (see Figure 5). This was particularly the case in Croatia, Bulgaria, Cyprus, Ireland (2011 data) and Denmark, where pensions represented between 37 % and 44 % of the average earnings among those aged 50 to 59. By contrast, this ratio — known as the [aggregate replacement ratio](#) — was particularly high in Luxembourg (78 %) and was also relatively high in Romania (65 %) and France (64 %). Low aggregate replacement ratios may reflect low coverage and / or low income replacement from pension schemes within current pension systems, as well as incomplete careers or an under-declaration of earnings.



(\*) The income reference period concerns the year preceding the survey year for the majority of countries.

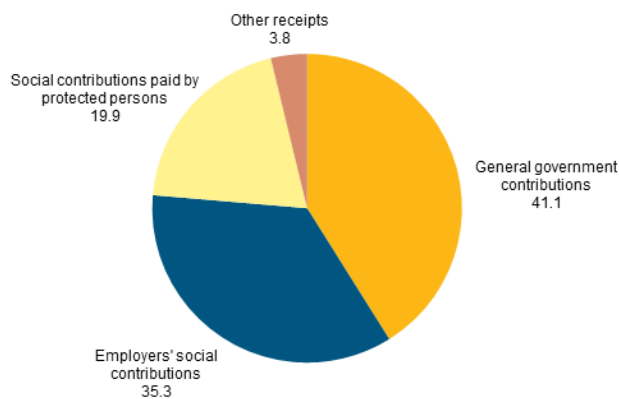
(\*) Eurostat calculation based on population-weighted averages of national data.

(\*) 2011.

Source: Eurostat (online data code: ilc\_pnp3)

**Figure 5: Aggregate replacement ratio, 2013 (1)(%) - Source: Eurostat (ilc\_pnp3)**

An analysis of social protection receipts across the EU-28 in 2012 shows that the majority of receipts could be attributed to general government contributions (41.1 %) and employers' social contributions (35.3 %), while around one fifth (19.9 %) of social protection receipts in the EU-28 were social contributions paid by protected persons (see Figure 6).



(\*) Provisional; figures do not sum to 100 % due to rounding.

Source: Eurostat (online data code: spr\_rec\_sumt)

**Figure 6: Social protection receipts, EU-28, 2012 (1)(% of total receipts) - Source: Eurostat (spr\_rec\_sumt)**

## Data sources and availability

Data on social protection expenditure and receipts are drawn up according to the [European system of integrated social protection statistics \(ESSPROS\)](#) methodology; this system has been designed to allow a comparison of social protection flows between EU Member States.

In April 2007, a legal basis was established for the provision of ESSPROS with the delivery of data to start from reference year 2006, as provided by the [European Parliament](#) and [Regulation 458/2007](#) ; this was later supplemented by two [European Commission](#) implementing Regulations: [Regulation 1322/2007](#) and [Regulation 10/2008](#) .

Expenditure on social protection includes: [social benefits](#) , administration costs (which represent the costs charged to the scheme for its management and administration) and other expenditure (which consists of miscellaneous expenditure by social protection schemes, principally, payment of [property income](#) ).

[Social protection benefits](#) are direct transfers, in cash or in kind, by social protection schemes to households and individuals; the purpose of the transfers is to relieve the recipients of the burden of one or more of the defined risks or needs. Social benefits are paid to households by [social security funds](#) , other government units, non-profit institutions serving households ( [NPISHs](#) ), employers administering unfunded social insurance schemes, insurance enterprises, or other institutional units administering privately funded social insurance schemes. Social benefits are recorded without deduction of taxes or other compulsory levies payable by recipients.

Social protection benefits are classified according to eight social protection functions (which represent a set of risks or needs):

- sickness / healthcare benefits — including paid sick leave, medical care and the provision of pharmaceutical products;
- disability benefits — including disability pensions and the provision of goods and services (other than medical care) to the disabled;
- old age benefits — including old age pensions and the provision of goods and services (other than medical care) to the elderly;
- survivors' benefits — including income maintenance and support in connection with the death of a family member, such as a survivors' pensions;
- family / children benefits — including support (except healthcare) in connection with the costs of pregnancy, childbirth, childbearing and caring for other family members;
- unemployment benefits — including [vocational training](#) financed by public agencies;
- housing benefits — including interventions by public authorities to help households meet the cost of housing;
- social exclusion benefits not elsewhere classified — including income support, rehabilitation of alcohol and drug abusers and other miscellaneous benefits (except healthcare).

The pensions aggregate comprises part of periodic cash benefits under the disability, old age, survivors and [unemployment](#) functions. It is defined as the sum of the following social benefits: disability pensions, early-retirement benefits due to reduced capacity to work, old age pensions, anticipated old age pensions, partial pensions, survivors' pensions, and early-retirement benefits for labour market reasons (see [Social protection statistics - pension expenditure and pension beneficiaries](#) )

The aggregate replacement ratio is compiled as the ratio between gross retirement benefits and [gross earnings](#) . It is defined as [median](#) individual gross pension income of those aged 65–74 relative to median individual gross earnings from work of those aged 50–59; it is expressed in percentage terms. These data are not part of the European system of integrated social protection statistics and are collected as part of the [EU's statistics on income and living conditions \(EU-SILC\)](#) .

Schemes responsible for providing social protection are financed in different ways. Social protection receipts comprise social security contributions paid by employers and protected persons, contributions by general government, and other receipts from a variety of sources (for example, interest, dividends, rent and claims against third parties). Social contributions by employers are all costs incurred by employers to secure entitlement to social benefits for their employees, former employees and their dependants; they can be paid by resident or non-resident employers. They include all payments by employers to social protection institutions (actual contributions) and social benefits paid directly by employers to employees (imputed contributions). Social contributions made by protected persons comprise contributions paid by employees, by the self-employed and by pensioners and other persons.

The implementation of the new European System of National and Regional Accounts (ESA 2010) to replace the previous manual (ESA 1995) is an ongoing process. Even though the ESSPROS Manual has not been revised accordingly, many concepts used in ESSPROS are based on National Accounts. As a consequence ESSPROS results may be indirectly affected by the implementation of ESA 2010. The revision of ESSPROS data to take into account the new national accounts methodology is expected to take place, in most cases, before the next

data transmission by countries (June 2015). For the time being, ESSPROS results currently published are still based on ESA 1995 methodology. However, ESSPROS data for France are already based on ESA 2010 methodology for 2009-2012 results. The impact of the introduction of ESA 2010 methodology on the French results 2009-2011 is much lower than 1% at aggregated level for both expenditure and receipts.

Some data for Greece related to recent years are provisional and flagged "p". In addition, ELSTAT (the Greek statistical office) has indicated that data on expenditure and receipts for the main pension schemes are subject to an on-going revision process which might have an impact on data going back to 2001.

## Context

Social protection systems are generally well-developed in the EU: they are designed to protect people (to some degree) against the risks and needs associated with unemployment, parental responsibilities, sickness / health-care and invalidity, the loss of a spouse or parent, old age, housing and social exclusion (not elsewhere classified).

Pension systems can play a role in allowing beneficiaries to maintain living standards they enjoyed in the later years of their working lives. However, as Europe's population is becoming progressively older, the main challenge social protection systems are starting to face is related to their financing, as the proportion of older persons grows while the number of persons of working age decreases.

The main policy framework in this domain concerns the open method of coordination for social protection and social inclusion, which aims to promote social cohesion and equality, through adequate, accessible and financially sustainable social protection systems and social inclusion policies. A Communication from the European Commission titled ' [Working together, working better: a new framework for the open coordination of social protection and inclusion policies in the European Union](#) ' (COM(2005) 706 final) outlines the objectives, which include:

- making a decisive impact on the eradication of poverty and social exclusion;
- providing adequate and sustainable pensions;
- ensuring accessible, high-quality and sustainable healthcare and long-term care.

The organisation and financing of social protection systems is the responsibility of each of the EU Member States. The model used in each Member State is therefore somewhat different, while the EU plays a coordinating role to ensure that people who move across borders continue to receive adequate protection. The EU seeks to promote actions among the Member States to combat poverty and social exclusion, and to reform social protection systems on the basis of policy exchanges and mutual learning. This policy is known as the social protection and social inclusion process — it underpins the [Europe 2020 strategy](#) and will play an important role as the EU seeks to become a smart, sustainable and inclusive economy.

## See also

- [Social protection statistics - main indicators](#)
- [Social protection statistics - social benefits by function](#)
- [Social protection statistics - background](#)
- [Social protection statistics - pension expenditure and pension beneficiaries](#)

## Further Eurostat information

### Publications

- [European social statistics - Social protection expenditure and receipts — Data 1997-2005](#)
- [In 2009, a 6.5 % rise in per capita social protection expenditure matched a 6.1 % drop in EU GDP — Statistics in focus 14/2012](#)
- [EU-27 spent 29.4 % of GDP on social protection in 2010 — News release from 27 November 2012](#)
- [EU-28 spent 29.1 % of GDP on social protection in 2011 — News release from 21 November 2013](#)

## 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](#)

## Methodology / Metadata

- [ESSPROS Manual — 2011 edition](#)
- [Social protection methodology](#)
- [Social protection](#) (ESMS metadata file — spr\_esms)

## Source data for tables, figures and maps (MS Excel)

- [Social protection statistics: tables and figures](#)

## Other information

- [Regulation 458/2007](#) of 25 April 2007 on the European system of integrated social protection statistics (ESSPROS).
- [Regulation 1322/2007](#) of 12 November 2007 implementing Regulation 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics (ESSPROS) as regards the appropriate formats for transmission, results to be transmitted and criteria for measuring quality for the ESSPROS core system and the module on pension beneficiaries.
- [Regulation 10/2008](#) of 8 January 2008 implementing Regulation 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics (ESSPROS) as regards the definitions, detailed classifications and updating of the rules for dissemination for the ESSPROS core system and the module on pension beneficiaries.
- [Regulation 1322/2007](#) of 12 November 2007 implementing Regulation 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics (ESSPROS) as regards the appropriate formats for transmission, results to be transmitted and criteria for measuring quality for the ESSPROS core system and the module on pension beneficiaries.
- [Regulation 10/2008](#) of 8 January 2008 implementing Regulation 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics (ESSPROS) as regards the definitions, detailed classifications and updating of the rules for dissemination for the ESSPROS core system and the module on pension beneficiaries.

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