

JUL 12 2004

Social Protection in Europe

Gérard Abramovici

Statistics in focus

POPULATION AND SOCIAL CONDITIONS

THEME 3 – 6/2004

Contents

The increase in real per capita expenditure remained strong in 2001 2

Levels of social protection spending differ considerably between countries 2

Old-age and survivors functions account for a major share of total benefits..... 3

Differing patterns of growth in social benefits 4

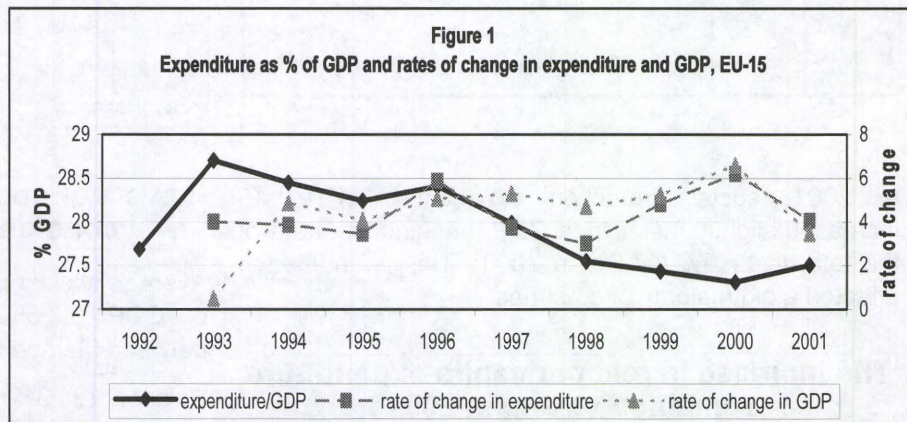
Social protection funding systems differ markedly from country to country 5

General-government contributions taking over from social security contributions ... 6

In 2001, social protection expenditure in the European Union is still increasing and accounted for 27.5% of GDP. Although higher than in the previous year, the ratio has fallen by more than one point from the peak reached in 1993.

Old-age and survivors' benefits continue to be the main components of social protection benefits. The share of unemployment-related expenditure is in decline.

Different countries have markedly different systems for financing social protection, depending on whether they favour social security contributions or contributions from general government. In the last ten years, however, the gap between the two main funding components in the European Union has declined, as general-government contributions have gained in importance.



In 2001, the decline in social protection expenditure as a percentage of GDP (Figure 1) in EU-15 came to a halt (27.5%, compared with 27.3% in 2000). However, this ratio is still 1.2 points below its 1993 level, which was the highest in the series.

Changes in the ratio have not followed a regular pattern in EU-15 in recent years. Up until 1993, when a peak of 28.8% was reached, there was a very rapid increase. This was due, initially, to a slowdown in GDP growth, and then to the economic recession which affected Europe in 1993. A further cause was the steady increase in social benefits (especially unemployment benefits).

Between 1993 and 1996, social protection expenditure relative to GDP stabilised at a level somewhat below that reached in 1993. This was partly the result of renewed GDP growth, but also of slower growth in social protection expenditure (particularly in connection with unemployment benefits).

Between 1996 and 2000, social protection expenditure relative to GDP fell continuously (Table 1). Within this period, the ratio declined by 2.1 points in EU-15. The biggest falls between 1996 and 2000 were in Finland (6.1 points) and Luxembourg (3.8 points). There were also significant reductions in Ireland, the Netherlands and Sweden. In the case of Ireland, the main factor was strong GDP growth over the period. Although the fall was fairly widespread over the period 1996-2000, some countries saw the ratio increase. For these countries, the share of social protection expenditure in GDP was below the average. This was the case in Greece and Portugal (+ 3.4 points and + 1.8 points respectively).

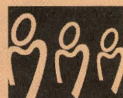


Table 1: Expenditure on social protection (as % of GDP)						
	1992	1994	1996	1998	2000	2001
EU-15	27.7	28.5	28.4	27.5	27.3	27.5
EUR-12	27.2	28.0	28.2	27.4	27.2	27.4
BE	27.7	28.7	28.6	27.6	26.8	27.5
DK	30.3	32.8	31.4	30.2	29.2	29.5
DE	27.6	28.3	29.9	29.3	29.6	29.8
EL	21.2	22.1	22.9	24.2	26.3	27.2
ES	22.4	22.8	21.9	20.6	20.2	20.1
FR	29.3	30.5	31.0	30.5	29.8	30.0
IE	20.3	19.7	17.8	15.4	14.2	14.6
IT	26.2	26.0	24.8	25.0	25.2	25.6
LU	22.5	22.9	24.1	21.7	20.3	21.2
NL	31.9	31.7	30.1	28.4	27.4	27.6
AT	27.8	29.9	29.8	28.3	28.4	28.4
PT	18.4	21.3	21.2	22.1	23.0	23.9
FI	33.6	33.8	31.6	27.2	25.5	25.8
SE	37.1	36.7	33.9	32.2	30.7	31.3
UK	27.9	28.6	28.0	26.9	27.1	27.2
IS	18.2	18.4	18.8	18.9	19.8	20.1
NO	28.2	27.6	26.0	27.1	24.6	25.6
EE	27.7	28.4	28.4	27.5	27.2	27.5
CH	23.3	25.2	26.9	28.0	28.8	28.9
HU	:	:	:	:	20.3	19.9
MT	:	:	:	18.9	17.9	18.3
SI	:	:	24.7	25.3	25.4	25.6
SK	:	:	19.8	20.2	19.5	19.1

Table 2: Expenditure on social protection per capita at constant prices * (Index 1992=100)						
	1994	1996	1998	2000	2001	Average annual rate of growth in % (1992-2001)
EU-15	104.0	107.7	110.6	116.9	118.5	1.9
EUR-12	102.9	107.1	109.9	114.5	116.8	1.7
BE	106.5	109.0	111.1	113.5	116.2	1.7
DK	114.0	113.9	114.5	116.0	118.2	1.9
DE	102.6	110.6	111.5	115.6	116.7	1.7
EL	103.7	112.0	128.9	152.3	163.4	5.6
ES	101.8	104.2	107.1	113.0	116.0	1.7
FR	104.9	107.8	111.2	114.5	116.8	1.7
IE	107.9	114.9	125.8	138.5	151.1	4.7
IT	98.7	98.8	104.1	109.2	112.8	1.3
LU	111.3	120.3	126.1	136.9	143.3	4.1
NL	102.2	102.3	103.7	107.3	108.9	0.9
AT	109.0	112.3	111.9	118.1	118.7	1.9
PT	118.2	125.6	145.8	164.0	172.7	6.3
FI	102.0	104.6	102.9	103.0	105.2	0.6
SE	103.7	101.1	101.5	105.5	107.7	0.8
UK	108.4	112.3	116.6	126.2	130.0	3.0
IS	102.8	110.2	123.6	138.2	145.9	4.3
NO	103.0	109.3	119.0	131.3	137.6	3.6
EE	103.9	107.7	110.7	116.1	118.8	1.9
CH	106.5	112.2	120.6	123.1	128.2	2.8

* see calculation method on page 7

In 2001, social protection expenditure in EU-15 increased slightly faster than GDP, bringing its share of the total to 27.5% (27.3% in 2000). This phenomenon affected a big majority of countries.

The increase in real per capita expenditure remained strong in 2001

In the period 1992-2001, per capita social protection expenditure at constant prices increased by an average of about 1.9% per annum in EU-15 (Table 2). Although expenditure generally increased fairly regularly, the years 1994, 1995 and 1997 saw a slowdown in the rate of growth (to less than 1%). In the euro area (EUR-12), growth over the period was slightly lower, and had a rather different profile over time.

The increase was particularly marked in Portugal (6.3% per annum), Greece (5.6%), Ireland (4.7%) and Luxembourg (4.1%). Outside of EU-15, growth also increased in Iceland and Norway (around 4% p.a.). In Finland, the Netherlands and Sweden, by contrast, per capita expenditure increased over the period by less than 1% per annum in real terms.

In 2001, the increase in expenditure (+ 2.1%) was of the same order as in the two previous years. Greece, Ireland, Luxembourg, Portugal, Iceland and Norway saw the strongest growth that year, as indeed they did over the entire period. In Austria and Germany, expenditure increased the least (less than 1%).

Levels of social protection spending differ considerably between countries

Average social protection spending in EU-15 as a share of GDP (27.5% in 2001) masks major disparities between Member States (Table 1).

Sweden (31.3%), France (30.0%), Germany (29.8%) and Denmark (29.5%) have the highest ratios, while Ireland has the lowest (14.6%). Outside of EU-15, Malta (18.3%) and Switzerland (28.9%) are located at opposite ends of the spectrum.

Expressed in PPS (purchasing power standards) per capita, the differences between countries are more marked, and the countries are in a different order (Figure 2).

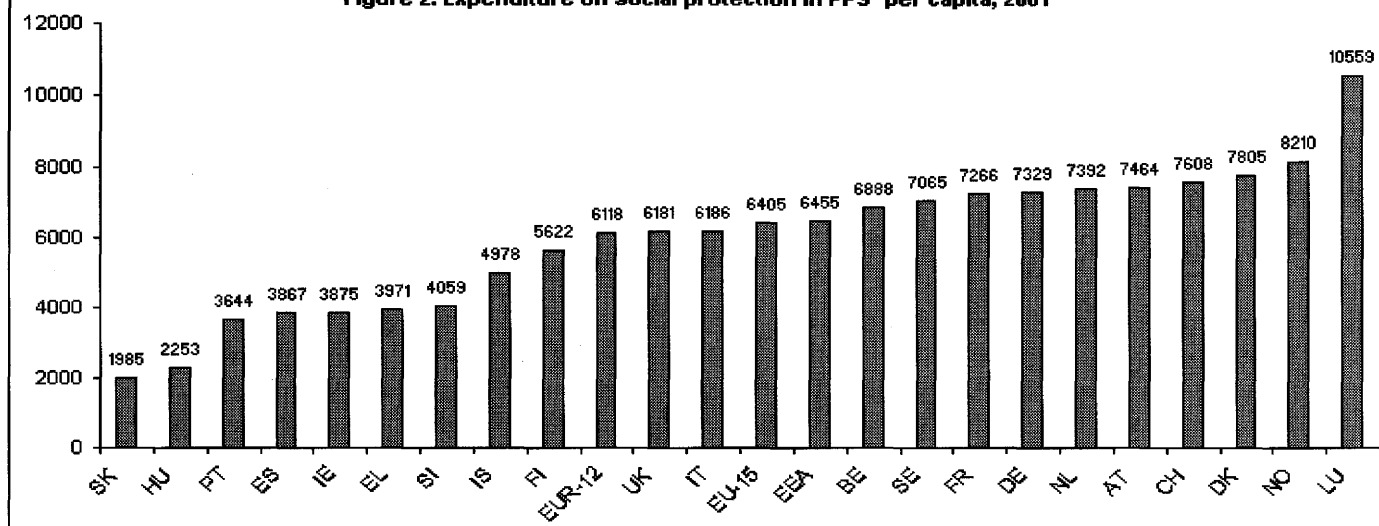
Within EU-15, Luxembourg has the highest expenditure (10 559 PPS per capita)¹, followed of Denmark (7 805 PPS per capita). Portugal, Spain, Ireland and Greece, on the other hand, are characterised by lower amounts (less than 4 000 PPS per capita).

The ratio between the EU-15 country which spent most and the one which spent least in 2001 was thus 2.9 (compared with 3.5 in 1992).

Of the non-EU-15 countries, Norway has the highest expenditure (more than 8 000 PPS), i.e. four times more than Slovakia.

¹ Luxembourg is a special case in that a large share of benefits is paid to persons living outside the country (mainly pensions and family allowances). Adjusted for this characteristic, expenditure is lower, at about 9 500 PPS.

Figure 2: Expenditure on social protection in PPS* per capita, 2001



* Purchasing Power Standards (PPS): independent unit of any national currency that removes the distortions due to price level differences. The PPS value are derived by using Purchasing Power Parities (PPPs) that are obtained as a weighted average of relative price ratios in respect of a homogeneous basket of goods and services, comparable and representative for each Member State.

National differences are partly the result of different levels of wealth, but also reflect the diversity of social protection systems, demographic trends, unemployment rates and other social, institutional and economic factors.

Old-age and survivors functions account for a major share of total benefits

In 2001, benefits under the old-age and survivors functions took the biggest share of social protection expenditure in most Member States: 46% of total benefits in EU-15, i.e. 12.2% of GDP (Table 4).

These functions are particularly important in Italy² where more than 60% of all benefits are devoted to them. This is partly because of the large share of the population aged 60 + (24.3% in 2001, compared with an average of 21.6% in EU-15). Greece, Austria, the United Kingdom, Switzerland and Malta are also above the European average.

In Ireland³ on the other hand, the share of benefits under the old-age and survivors functions is about 25%. This is partly because Ireland has the youngest population in Europe: 30.1% of the population was under 20 years of age in 2001 (compared with an EU-15 average of 23.1%) and just 15.1% of the population was older than 60.

The sickness/care function of health accounts for

slightly more than 28% of all benefits. Its importance exceeds that of the old-age and survivors functions for Ireland and, outside of EU-15, for Iceland and Norway. At the opposite end, Denmark devotes slightly more than 20% of total benefits to this function.

Disability benefits account for about 14% of the total in Finland and Luxembourg⁴, compared with an average of 8% in EU-15. The share accounted for by this item is also high in Denmark and Sweden, where more than 30% of disability benefits are benefits in kind. Outside of EU-15, Norway spends most on the disability function (16.5% of overall social benefits). In Greece, Ireland and Italy, by contrast, the share is less than 6%.

The family/children function accounts for 8% of all benefits in EU-15. It accounts for more than 12% of total benefits in Luxembourg, Denmark, Ireland and Finland. This is also true for Iceland, Norway and Hungary. In Spain, Italy and the Netherlands, on the other hand, benefits payable under this function make up less than 5% of overall social benefits.

There are major differences between Member States in the weight of unemployment benefits: compared with an average share of 6.2% of total benefits in EU-15, the share is about 12% in countries such as Belgium and Spain. By contrast, Luxembourg, Italy, the United Kingdom, and, outside of EU-15, Iceland, Norway and Switzerland, devote less than 3% of social protection expenditure to this function.

² In Italy, these functions also include severance allowances ("trattamento di fine rapporto", or TFR) which partly come under the unemployment function. These benefits account for about 6% of overall social benefits.

³ For Ireland, data on professional pension schemes for private-sector employees (with constitution of reserves) are not available.

⁴ In Luxembourg, a new "dependence Insurance" class was introduced in 1999. These benefits account for about 3% of total social benefits. A major part of these benefits should, in accordance with the ESSPROS Manual 1996, be recorded under the old-age function.

Preliminary estimates for 2002

Eight countries*, which in 2001 accounted for 64% of social protection expenditure in EU-15, have provided estimates for 2002.

Social protection spending in those countries increased in 2002 slightly faster than GDP (Table 3) and accounted for 27.0% of GDP (compared with 26.6% in 2001). The ratio grew fastest in France, Italy and the Netherlands.

Measured in constant prices, benefits increased by 2.8% in 2002 (compared with 2.3% in 2001). This increase was the net result of divergent trends between functions. Unemployment expenditure increased sharply in the wake of the deteriorating European labour market at the end of 2001 and in 2002: the unemployment rate in EU-15 rose from 7.2% in the third quarter of 2001 to 7.8% in the final quarter of 2002. Sickness-related expenditure increased strongly, continuing a trend observed since 1998. The other functions increased at a more moderate pace: family benefits increased the least, a consequence of the decline in the number of people aged under 20 in Europe.

Table 3: Expenditure on social protection in 2001 and 2002 in 8 countries* of the European Union

	As % of GDP	Annual rate of growth in real terms in euros						
		Total benefits	Old age and survivors functions	Sickness / health care function	Disability function	Family / children function	Unemployment function	Housing and social exclusion functions
2001	26.6	2.3%	0.1%	6.7%	1.0%	1.5%	2.1%	0.9%
2002	27.0	2.8%	2.1%	4.3%	1.9%	1.1%	5.2%	1.9%

* Belgium, Greece, Spain, France, Ireland, Italy, The Netherlands, United Kingdom

It should be noted that the total value of "unemployment" benefits does not necessarily correlate with the level of unemployment. There are considerable differences in coverage, the period for which benefit is payable, and the value of individual benefits. Although Finland and Italy had the same unemployment rate in 2001 (about 9%), the average unemployment benefit per unemployed person in Finland is six times higher than in Italy (4.4 times higher if comparing the average benefit in PPS).

The structure of benefits was relatively stable over time. There were, however, some changes at EU-15 level between 1992 and 2001. The weight of the old-age/survivors function increased steadily (by 2 points over the period). At the same time, the share accounted for by sickness benefits dipped before returning to a level last seen in 1992. Lastly, the share of unemployment benefits declined from 9% to 6.2% in 10 years.

Differing patterns of growth in social benefits

Over the last ten years, social benefits in respect of different functions have developed at different speeds (Table 5). The variations result from changing needs and changes in social protection legislation.

In EU-15, expenditure at constant prices under the old-age and survivors functions increased by 27.1% between 1992 and 2001 (i.e. by 2.7% per annum). The biggest increases were in Portugal (7.8% per annum) and Greece (5.7%). In the latter country, there was a particularly big increase between 1997 and 1998, as

new benefits were introduced. There was also a high rate of growth in the United Kingdom (+ 4.3% per annum on average). Outside of EU-15, expenditure on these functions increased strongly in Iceland and Norway (5.4% and 4.1% per annum respectively).

There has, however, been a general downturn in growth in this item in EU-12 since 2000 and in EU-15 since 2001 (less than 2% a year in EU-15, compared with 2.7% over the full period). The slowdown was particularly marked in Germany, France, Austria and Sweden. On the other hand, growth in this item of expenditure continued to accelerate in some countries: in 2000 in Spain and the United Kingdom, in 2001 in Luxembourg and Finland (and in Hungary and Slovenia), and in both years in Greece, Ireland and Portugal (and in Iceland and Norway).

In the face of ageing populations (in EU-15, the percentage of persons aged 60 + increased from 20.2% in 1992 to 21.6% in 2001), several countries are reforming their pension systems. The effects of these reforms should gradually make themselves felt.

With a real increase of 22.3% between 1992 and 2001, the sickness/health care function grew at a slower rate than expenditure related to old age and survivors.

However, from 1998 onwards, health expenditure increased faster than overall social benefits in almost all the countries of EU-15 (an annual average of 4.4%, compared with 2.5% for all benefits), the exceptions being Austria (1.7%, compared with 2.3%), and Portugal (6.6%, as against 7%).

The biggest average annual increases between 1997 and 2001 occurred in Ireland (11.6%) and Greece

Table 4: Social benefits by group of functions, 2001 (as a % of total social benefits)						
	Old age and survivors	Sickness / health care	Disability	Family / children	Unemployment	Housing and social exclusion
EU-15	46.0	28.2	8.0	8.0	6.2	3.6
EUR-12	46.5	28.4	7.4	8.1	6.9	2.8
BE	43.7	25.0	9.0	8.9	11.7	1.6
DK	38.0	20.3	12.5	13.3	10.0	6.0
DE	42.4	28.8	7.7	10.4	8.2	2.5
EL	51.3	25.8	5.0	6.9	6.0	5.1
ES	45.3	30.0	7.6	2.6	12.9	1.7
FR	43.7	29.2	6.0	9.5	7.1	4.4
IR	24.8	43.4	5.2	12.5	8.3	5.8
IT	62.3	26.1	5.7	4.0	1.6	0.3
LU	39.4	25.4	14.2	16.8	2.5	1.6
NL	41.8	30.4	11.6	4.4	5.0	6.8
AT	49.5	24.7	8.1	10.6	5.0	2.1
PT	45.8	31.3	12.3	5.6	3.6	1.3
FI	36.6	24.5	13.7	12.1	9.8	3.3
SE	39.1	29.2	12.4	9.6	5.6	4.3
UK	46.5	28.1	9.4	6.8	2.9	6.3
IS	30.6	38.5	13.6	13.0	1.5	2.9
NO	30.5	34.5	16.5	12.8	2.6	3.1
EE	46.7	28.3	8.2	8.1	6.1	3.6
CH	51.7	24.9	12.8	5.1	2.4	3.1
HU	42.6	27.5	10.1	12.9	3.4	3.5
MT	53.8	25.5	6.1	6.5	6.0	2.0
SI	45.5	31.4	8.7	8.9	3.7	1.8
SK	39.7	33.1	8.1	8.6	3.4	7.1

Table 5: Social benefits at constant prices in EU-15* (Index 1992=100)					
	1994	1996	1998	2000	2001
Old age and survivors	105.5	111.8	117.4	125.4	127.1
Sickness / health care	100.8	103.6	106.7	115.4	122.3
Disability	109.0	115.1	119.6	123.9	125.9
Family / children	104.2	116.2	121.0	124.9	126.5
Unemployment	104.2	98.3	90.6	86.2	86.3
Housing and social exclusion	117.1	127.0	128.8	127.7	129.5
Total benefits	104.6	109.4	112.8	119.0	122.1

* see calculation method on page 7

(9.2%), and Sweden and the United Kingdom (about 8%).

Outside of EU-15, Iceland and Norway also recorded big increases (annual averages of + 8.2% and + 8.5% respectively).

This situation reflects, *inter alia*, the efforts of some Member States to make access to health care universal. Sweden⁽⁵⁾, for example, made medical treatment for children free in 1998 (payable by the local authorities). The ageing of the population also goes some way to explaining the trend.

Expenditure related to disabilities increased steadily during the period 1992-2001 in all countries except Italy, the Netherlands and Finland, where it decreased in real terms. These last two countries, where the share of total social benefits accounted for by this item was among the highest in 1992 (above 15%), tightened up the

eligibility criteria so as to reduce the number of people eligible for disability pensions.

At the other end, Ireland (+ 7.6% per annum) and Luxembourg (+ 6.9%) experienced real growth which was much higher than in the other countries. A similar situation was observed in Iceland (+ 9% per annum).

Expenditure on the family/children function increased by 26.5% in real terms between 1992 and 2001. The increase was very strong in 1996, when, for example, Germany implemented reforms and extended the system of family allowances.

Luxembourg saw the strongest growth during the period (+ 10.8% per annum at constant prices, compared with an EU-15 average of 2.6%), mainly because of increases in the value of child benefit.

In Ireland and Portugal, recent reforms of the parental leave system have produced above-average growth. Sweden, by contrast, saw a reduction in family-related expenditure in real terms, although the share of total expenditure accounted for by this function was among the highest in 1992. In the Netherlands and Finland, the increase in expenditure on this function over the period was close to zero.

Expenditure relating to the unemployment function declined by 13.7% in real terms in EU-15 between 1992 and 2001 (an average annual fall of 1.6%). This reduction stemmed partly from a steady improvement in the economic situation and partly from reforms of the benefits system in a number of countries. Shorter limits on the period of payment and a tightening of the eligibility criteria also contributed to the reduction.

The reduction was particularly marked in Italy, the Netherlands, Sweden and the United Kingdom. Exceptions to this general downward trend were Greece, which saw steep increases over the period, and, to a lesser extent, Luxembourg, Austria and Portugal.

Social protection funding systems differ markedly from country to country

In 2001, the principal sources of funding of social protection in EU-15 were social security contributions, representing 60.5% of total income, and general-government contributions financed through taxes (36.0%). Social security contributions comprise contributions payable by the insured (employees, the self-employed, pensioners and others) and those payable by employers (Table 6).

The European average masks major national differences in the structure of social protection funding. The share of funding accounted for by social security contributions is biggest in Belgium, Spain, France, the Netherlands and Germany, where it exceeds 65% of

(5) In 1998, Sweden also raised the value of sickness benefits in cash.

total receipts. This is also true for Malta, Slovakia and Slovenia.

At the other end of the spectrum, Denmark and Ireland (and Norway) fund their social protection systems mainly through taxes, whose share in total receipts is above 58%. In the United Kingdom, Luxembourg and Sweden (and Iceland), general-government contributions also make up a large share of receipts.

These differences have their origins in history and in the institutional set-up of social protection systems. It has been gradually declining as a result of increased funding out of tax revenues in the countries where it was low (e.g. France and Portugal).

The share of other income (e.g. property income) is low: 3.4% in 2001, although it is close to 17% in the Netherlands and Switzerland because of the importance of occupational pension funds in these two countries.

General-government contributions taking over from social security contributions

Between 1992 and 2001, the share of general-government contributions in total receipts increased in EU-15 by 4.6 points. The share accounted for by general-government contributions increased faster than the European average in France, Italy and Portugal, but fell significantly in Denmark and the Netherlands, where social security contributions increased. There was also a major reduction in general government contributions

in Iceland, for the same reason.

The increase in general-government contributions was very pronounced between 1997 and 1998, particularly in Italy and, even more so, in France, where the "generalised social security contribution" (CSG), which is classified as fiscal receipts, grew in importance in 1997 and 1998. This tax largely replaced health contributions payable by the insured. In Italy, social security contributions to the Health Service were replaced in 1998 by a new tax (IRAP) payable (at local level) only by persons engaged in an economic activity.

The share of employers' social security contributions decreased in EU-15 by 2.3 points between 1992 and 2001. It fell in most countries, but with particularly big declines in Germany, France and Italy (regulatory changes being the reason in the last two countries). In the Netherlands, Belgium and Sweden, however, employers' social security contributions increased significantly. There was also a big increase in Iceland.

The share of social security contributions payable by the protected persons also decreased between 1992 and 2001, from 23.4% to 21.7% in EU-15. Although this decline was fairly widespread, the share of these contributions increased by more than 16 points in Denmark, where the "labour market contribution" was introduced in 1994 to finance health insurance, unemployment and vocational training.

Table 6: Receipts of social protection by type (as % of total receipts)

	General Government contributions		Social contributions						Other receipts	
			Total		Employers		Protected persons (1)			
	1992	2001	1992	2001	1992	2001	1992	2001	1992	2001
EU-15	31.4	36.0	64.5	60.5	41.1	38.8	23.4	21.7	4.1	3.4
EUR-12	25.1	32.0	69.6	64.2	44.5	41.4	25.1	22.8	4.3	3.8
B	21.1	23.0	69.3	74.4	43.8	51.4	25.5	23.0	9.7	2.6
DK	82.0	62.6	11.6	30.4	7.0	9.3	4.7	21.1	6.4	7.0
D	27.2	32.6	70.2	65.2	41.9	37.4	28.3	27.8	2.6	2.2
EL	32.2	27.8	58.7	62.0	38.8	38.5	19.9	23.5	9.2	10.2
E	27.9	26.7	69.6	69.2	53.2	52.9	16.3	16.3	2.6	4.1
F	18.1	30.4	78.4	66.7	50.3	45.9	28.1	20.8	3.5	2.8
IRL	60.7	58.3	37.9	39.4	22.8	24.8	15.1	14.5	1.4	2.3
I	30.2	41.1	67.3	57.0	51.4	42.4	16.0	14.6	2.5	1.8
L	41.6	46.2	51.3	48.9	29.5	24.5	21.8	24.4	7.1	4.9
NL	22.4	16.3	61.9	66.9	20.2	31.6	41.7	35.3	15.7	16.8
A	35.0	34.1	63.8	64.7	38.1	37.5	25.6	27.2	1.2	1.2
P	26.9	37.8	57.2	54.4	39.4	36.4	17.8	18.0	15.9	7.8
FIN	44.6	42.8	47.1	50.3	36.7	38.8	10.4	11.6	8.3	6.9
S	50.8	45.1	40.6	52.5	38.6	43.4	2.0	9.1	8.6	2.3
UK	47.6	48.2	51.0	50.0	27.5	30.5	23.5	19.5	1.4	1.7
IS	60.1	45.5	39.9	46.0	31.9	38.0	8.0	8.0	0.0	8.5
NO	58.5	61.2	40.7	37.7	26.2	24.4	14.5	13.3	0.8	1.1
EEE	31.9	36.5	64.1	60.1	40.8	38.5	23.2	21.6	4.1	3.4
CH	20.0	21.2	61.4	61.9	31.2	29.8	30.2	32.1	18.6	16.9
HU	:	32.2	:	59.2	:	46.2	:	13.1	:	8.6
MT	:	27.0	:	70.6	:	48.7	:	21.9	:	2.4
SK	:	32.6	:	65.9	:	26.5	:	39.3	:	1.5
SI	:	28.3	:	65.6	:	47.0	:	18.6	:	6.1

(1) Employees, self-employed, pensioners and other persons

(1) Employees, self-employed, pensioners and other persons

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Source: Eurostat-ESSPROS

Methods and concepts : Social protection expenditure and receipts were calculated according to the methodology of the European System of Integrated Social Protection Statistics ("ESSPROS Manual 1996"). Expenditure includes social benefits, administrative expenditure and other expenditure of social protection schemes. The ESSPROS Manual 1996 classifies social benefits into the following eight functions: sickness/health care, disability, old age, survivors, family/children, unemployment, housing, and social exclusion not elsewhere classified (n.e.c.). Social benefits are recorded without deduction of taxes or other compulsory levies payable by beneficiaries. "Tax benefits" (tax reductions granted to households as part of social protection) are generally excluded.

Calculation of the indices in Tables 2 and 5

The wide annual fluctuations in conversion rates between the ECU/euro and national currencies required a choice other than an ECU/euro-denominated index for these tables.

- At national and EUR-12 level, the indices are in national currencies (the euro in EUR-12).
- For EU-15 and the EEA, the indices are obtained from a weighted average of each country's annual index (in national currencies). The expenditure of the countries in ECU/euro the previous year serves as the basis for the weighting (for example, 1992 expenditure for the weighted index for 1993/1992, 1993 expenditure for the weighted index for 1994/1993)

Abbreviations : The euro area (EUR-12) includes Belgium (BE), Germany (DE), Greece (EL), Spain (ES), France (FR), Ireland (IE), Italy (IT), Luxembourg (LU), the Netherlands (NL), Austria (AT), Portugal (PT) and Finland (FI). The European Union (EU-15) includes the countries of the euro area plus Denmark (DK), Sweden (SE) and the United Kingdom (UK). The European Economic area (EEA) includes the countries of the European Union plus Iceland (IS), Norway (NO) and Liechtenstein. Data for Liechtenstein are not available. CH = Switzerland, HU = Hungary, MT = Malta, SK = Slovakia, SI = Slovenia.

Comments on the data : Data on benefits and receipts for Sweden in the period 1990-1992 are not available. Consequently, the corresponding values for EU-15 and the EEA for the year 1992 were estimated by Eurostat. Ireland and Portugal record the disability pensions of recipients who have reached the age of retirement under the disability function (rather than the old-age function). The figures for Spain (1992-1994), Sweden (1992) and Switzerland are still calculated using the old system of national accounts (ESA79) methodology. The figures for the other countries are calculated in accordance with ESA95.

The 2001 data for BE, DE, ES, FR, IE, IT, NL, PT, UK, HU, SI and SK are provisional.

Eurostat publications : Methodology: "ESSPROS Manual 1996", 1996.

Data: "European social statistics: Social protection 1992-2001"

Further information:

Reference publications

Title European Social Statistics: Social Protection 1992-2001 (forthcoming)

Databases

NewCronos, Theme 3, Domain: sespros

To obtain information or to order publications, databases and special sets of data, please contact the Data Shop network:

DANMARK	DEUTSCHLAND	ESPAÑA	FRANCE	ITALIA – Roma
DANMARKS STATISTIK Bibliotek og Information Eurostat Data Shop Sejrogsvej 11 DK-2100 KØBENHAVN Ø Tlf. (45) 39 17 30 30 Fax (45) 39 17 30 03 E-mail: bib@dstat.dk URL: http://www.dstat.dk/bibliotek	Statistisches Bundesamt Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 (Eingang: Karl-Marx-Allee) D-10178 Berlin Tel. (49) 1888-644 94 27/28 (49) 611 75 94 27 Fax (49) 1888-644 94 30 E-Mail: datashop@destatis.de URL: http://www.eu-datashop.de/	INE Eurostat Data Shop Paseo de la Castellana, 183 Despacho 011B Entrada por Estébanez Calderón E-28046 MADRID Tel. (34) 915 839 167/ 915 839 500 Fax (34) 915 830 357 E-mail: datashop.eurostat@ine.es URL: http://www.ine.es/prodyser/datashop/index.html Member of the MIDAS Net	INSEE Info Service Eurostat Data Shop 195, rue de Bercy Tour Gamma A F-75582 PARIS CEDEX 12 Tél. (33) 1 53 17 88 44 Fax (33) 1 53 17 88 22 E-mail: datashop@insee.fr Member of the MIDAS Net	ISTAT Centro di informazione statistica Sede di Roma Eurostat Data Shop Via Cesare Balbo, 11a I-00184 Roma Tel. (39) 06 46 73 32 28 Fax (39) 06 46 73 31 01/ 07 E-mail: datashop@istat.it URL: http://www.istat.it/Prodotti-e/ Allegati/ Eurostatdatashop.html Member of the MIDAS Net
ITALIA – Milano	NEDERLAND	PORTUGAL	SUOMI/FINLAND	SVERIGE
ISTAT Ufficio Regionale per la Lombardia Eurostat Data Shop Via Fieno 3 I-20123 MILANO Tel. (39) 02 80 61 32 460 Fax (39) 02 80 61 32 304 E-mail: mileuro@tin.it URL: http://www.istat.it/Prodotti-e/ Allegati/ Eurostatdatashop.html Member of the MIDAS Net	Centraal Bureau voor de Statistiek Eurostat Data Shop - Voorburg Postbus 4000 NL-2270 JM VOORBURG Nederland Tel. (31) 70 337 49 00 Fax (31) 70 337 59 84 E-mail: datashop@cbs.nl URL: www.cbs.nl/eurodatashop	Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 LISBOA Tel. (351) 21 842 61 00 Fax (351) 21 842 63 64 E-mail: data.shop@ine.pt	Statistics Finland Eurostat Data Shop Helsinki Tilastokirjasto PL 2B FIN-00022 Tilastokeskus Työpajakatu 13 B, 2. Kerros, Helsinki P. (358) 9 17 34 22 21 F. (358) 9 17 34 22 79 Sähköposti: datashop@stat.fi URL: http://www.tilastokeskus.fi/tk/kk/datashop/	Statistics Sweden Information service Eurostat Data Shop Karlavägen 100 - Box 24 300 S-104 51 STOCKHOLM Tfn (46) 8 50 69 48 01 Fax (46) 8 50 69 48 99 E-post: infoservice@scb.se URL: http://www.scb.se/templates/ Standard_22884.asp
UNITED KINGDOM	NORGE	SCHWEIZ/SUISSE/SVIZZERA	UNITED STATES OF AMERICA	
Eurostat Data Shop Office for National Statistics Room 1.015 Cardiff Road Newport South Wales NP10 8XG United Kingdom Tel. (44) 1633 81 33 69 Fax (44) 1633 81 33 33 E-mail: eurostat.datashop@ons.gov.uk	Statistics Norway Library and Information Centre Eurostat Data Shop Kongens gate 6 Boks 8131 Dep. N-0033 OSLO Tel. (47) 21 09 46 42 / 43 Fax (47) 21 09 45 04 E-mail: Datashop@ssb.no URL: http://www.ssb.no/biblioteket/datashop/	Statistisches Amt des Kantons Zürich Eurostat Data Shop Bleichenweg 5 CH-8090 Zürich Tel. (41) 1 225 12 12 Fax (41) 1 225 12 99 E-mail: datashop@statistik.zh.ch URL: http://www.statistik.zh.ch	Harver Analytics Eurostat Data Shop 60 East 42nd Street Suite 3310 NEW YORK, NY 10165 USA Tel. (1) 212 986 93 00 Fax (1) 212 986 69 81 E-mail: eurodata@haver.com URL: http://www.haver.com/	

Media Support Eurostat (for professional journalists only):
Bech Building Office A4/017 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 35349 • e-mail: eurostat-mediasupport@cec.eu.int

For information on methodology:

Gerard ABRAMOVICI, Eurostat / D2, L-2920 Luxembourg, Tel. (352) 4301 33824, Fax (352) 4301 35979,
E-mail: Gerard.Abramovici@cec.eu.int
Database: Carlo CADOLINO Layout : Suky KIELKOPF
ORIGINAL: French

Please visit our web site at www.europa.eu.int/comm/eurostat/ for further information!

A list of worldwide sales outlets is available at the Office for Official Publications of the European Communities.

2 rue Mercier – L-2985 Luxembourg
Tel. (352) 2929 42118 Fax (352) 2929 42709
URL: <http://publications.eu.int>
E-mail: info-info-opoce@cec.eu.int

BELGIQUE/BELGIË – DANMARK – DEUTSCHLAND – GREECE/ELLADA – ESPAÑA – FRANCE – IRELAND – ITALIA – LUXEMBOURG – NEDERLAND – ÖSTERREICH
PORTUGAL – SUOMI/FINLAND – SVERIGE – UNITED KINGDOM – ISLAND – NORGE – SCHWEIZ/SUISSE/SVIZZERA – BALKARIJA – CESHKÁ REPUBLIKA – CYPRUS
EESTI – HRVATSKA – MAGYARORSZÁG – MALTA – POLSKA – ROMÂNIA – RUSSIA – SLOVAKIA – SLOVENIA – TÜRKIYE – AUSTRALIA – CANADA – EGYPT – INDIA
ISRAËL – JAPAN – MALAYSIA – PHILIPPINES – SOUTH KOREA – THAILAND – UNITED STATES OF AMERICA

Order form

I would like to subscribe to Statistics in focus (from 1.1.2004 to 31.12.2004):
(for the Data Shop and sales office addresses see above)
All 9 themes (approximately 200 issues)
☐ Paper: EUR 240
Language required: ☐ DE ☐ EN ☐ FR

Statistics in focus can be downloaded (pdf file) free of charge from the Eurostat web site. You only need to register. For other solutions, contact your Data Shop.

- ☐ Please send me a free copy of 'Eurostat mini-guide' (catalogue containing a selection of Eurostat products and services)
Language required: ☐ DE ☐ EN ☐ FR
- ☐ I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services
Language required: ☐ DE ☐ EN ☐ FR

☐ Mr☐ Mrs☐ Ms

(Please use block capitals)

Surname: _____ Forename: _____

Company: _____ Department: _____

Function: _____

Address: _____

Post code: _____ Town: _____

Country: _____

Tel.: _____ Fax: _____

E-mail: _____

Payment on receipt of invoice, preferably by:

- ☐ Bank transfer
- ☐ Visa ☐ Eurocard

Card No: _____ Expires on: ____/____/____

Please confirm your intra-Community VAT number:

If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.