

ANNEX : ESTIMATING PUBLIC SOCIAL EXPENDITURE 2014/15-2016 – SOURCES AND METHODS

Detailed SOCX data is not available for the period after 2013/14. However, the public social expenditure series as in SOCX was extended to 2014, 2015 and 2016 using available information on national aggregates for 2014 and 2015 in the *OECD Economic Outlook* and the European Union's Annual macro-economic database (AMECO) and estimates for 2016, or country responses to the OECD questionnaire on Social expenditure outlook for non EU countries. Based on projections in the *OECD Economic Outlook 99 A* and AMECO June2016 version, public social spending aggregates were estimated for 2016.

Two series were extended from 2014 until 2016 public social expenditure in cash (social transfers) and public social expenditure on services.

A "standard procedure" was applied for the following European OECD countries (Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary Iceland, Ireland, Italy, Latvia, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Spain, Slovenia, Switzerland, and the United Kingdom). The procedure involved:

- Social transfers, cash spending : for the years 2014-2015 trends in social security benefits paid by general government (SSPG) as in the database underlying OECD (2016a) *Economic Outlook 99A* database) were applied to public social expenditure in cash as in 2013; for 2016 the estimated SSPG series as in OECD (2016a) was used.
- Services spending : for the years 2014 – 2015, trends in social transfers in kind (series (UCIG0 in the European System of National Accounts ESA 1995) as projected in the AMECO database were applied to public social expenditure on services as in 2013. AMECO is the annual macro-economic database of the European Commission's Directorate General for Economic and Financial Affairs (DG ECFIN - AMECO (http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm)). For 2014 and 2015, it concerns spending data as reported by countries; for 2016 the estimated UCIG0 series as reported in AMECO was used.
- Public expenditure on Active Labour Market Programmes (ALMPs): From 2014 to 2015 trends in UCIG0 series on social transfers in kind (see above) were applied to extend the series on public spending on ALMPs.

Data on GDP were taken from *OECD Economic Outlook* database 99A as released June 2016 (www.oecd.org/oecdEconomicOutlook) for the year 2016.

For the United States, trends in projections from the Office of Management and Budget were applied at programme level (<http://www.whitehouse.gov/omb/budget/Historicals/>).

For OECD non European countries, results were used from country responses to the OECD-ELS questionnaire (SOCX Outlook) on spending aggregates for public social expenditures for 2014 to 2016.

Table 1. summarises the methodology applied to estimate spending aggregates for public expenditure on cash benefits social services and ALMPs. Please note that (x) denotes the standard procedure as define above.

Table 1. Estimation method for public social spending on cash benefits, services and ALMPs, 2014/15-2016

	Cash	Services	Active Labour Market Programmes
Australia	Data were taken from the country response to the aggregates data request for 2015-2016.	Data were taken from the country response to the aggregates data request for 2015-2016.	Data were taken from the country response to the aggregates data request for 2015-2016.
Austria	x	x	x
Belgium	x	x	x
Canada	x for 2015	https://www.cihi.ca/en/spending-and-health-workforce/spending/national-health-expenditure-trends . 2009-2012 annual average growth rate for 2013-2014	2009-2012 annual average growth rate for 2015
Chile	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2015.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2015.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2015.
Czech Republic	x	x	x
Denmark	x	x	x
Estonia	x	x	x
Finland	x	x	x
France	x	x	x
Germany	x	x	x
Greece	x	x	x
Hungary	x	x	x
Iceland	x	x	x
Ireland	x	x	x
Israel	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2016.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2016.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2016.
Italy	x	x	x
Japan	Not available		
Korea	Data were taken from the country response to the aggregates data request for 2015-2016	Data were taken from the country response to the aggregates data request for 2015-2016	Data were taken from the country response to the aggregates data request for 2015-2016.
Latvia	x	x	x
Luxembourg	x	x	x
Mexico	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2012.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2012.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2012.
Netherlands	x	x	x
New Zealand	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2015.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2015.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2015.
Norway	x	x	x
Poland	x	x	x
Portugal	x	x	x
Slovak Republic	x	x	x
Slovenia	x	x	x
Spain	x	x	x
Sweden	x	x	x
Switzerland	x	x	x
Turkey	2014: TurkStat, Social Protection Statistics	2014: TurkStat, Social Protection Statistics	2014: TurkStat, Social Protection Statistics
United Kingdom	x	x	x
United States	Data were taken from the provisions of the Office of management and budget.	Data were taken from the provisions of the Office of management and budget.	x

(x) The "standard procedure" has been followed to generate projections based on, for cash spending, trends in the SSPG series in the OECD Economic Outlook, for services, trends in the UCIG0 series on service spending in the AMECO database and for ALMPs, the OECD Labour market programmes database (OECD (2016b), *Employment Outlook*) and trends in the UCIG0 series on service spending in the AMECO database.

AMECO explanatory note:

AMECO is the annual macro-economic database of the European Commission's Directorate General for Economic and Financial Affairs (DG ECFIN).

Social transfers in kind; ESA 1995 (UCIG0); ESA 95-code: D.63; Sector affected: General government (S.13); Definition (ESA 1995): 4.104 f; Source: National accounts; Eurostat or National

Social transfers in kind consist of individual goods and services provided as transfers in kind to individual households by government units. They include:

Social benefits in kind (D.631). Social benefits in kind are social transfers in kind intended to relieve the household from the financial burden of social risks or needs. They include the following cases:

- Social security benefits, reimbursements (D.6311). These benefits consist of reimbursement by social security funds of approved expenditures made by households on specific goods or services.
- Other social security benefits in kind (D.6312). These consist of transfers in kind provided to households by government units that are similar in nature to social security benefits in kind but are not provided in the context of social insurance schemes. Social assistance benefits in kind include, if not covered by a social insurance scheme, for instance social housing, dwelling allowances, and reduction of transport prices (provided that there is a social purpose).

Transfers of individual non-market goods or services (D.632). Transfers of individual non-market goods or services consist of goods or services provided to individual households free or at prices which are not economically significant, by non-market producers of government units. They cover for instance education and cultural services.

Social transfers in kind are equal to the individual consumption expenditure of general government; variable UCIG0 is therefore conceptually identical with variable UCIG ('Individual consumption of general government at current prices'). Differences between UCIG0 and UCIG which may occur are due to different transmission deadlines of the underlying sources. UCIG0 is based on table 2 of the ESA 1995 transmission programme ('Main aggregates of general government') which has a deadline of t+8 months. Table 1 of the ESA 1995 transmission programme ('Main aggregates'), which is used for variable UCIG, has to be provided after t+70 days.