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**SOCIAL EXPENDITURE STATISTICS
OF OECD MEMBER COUNTRIES -
Provisional Version**

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The OECD Social Expenditure data base (SOCX) has been developed to monitor trends in aggregate social expenditure as well as changes in its composition. SOCX contains information on expenditure in main social policy areas such as old-age and disability cash benefits, occupational injury and disease, sickness benefits, services for elderly and disabled people, survivors, unemployment, other income maintenance programmes (low income, housing and family benefits), public spending on health and education and active labour market programmes (ALMP). With the publication of SOCX, the OECD intends to serve a growing need for indicators of social policy across its Member countries.

This publication is in three parts:

Part I : An interpretative guide to the data in SOCX;

Part II : Comparative country tables;

Part III : Individual country tables.

The first part of this publication contains an interpretative guide to the data in SOCX and its underlying concepts. The definitions used in outlining social expenditure are presented. This section also discusses some limitations of the data. Part II of the publication consists of comparative tables on social expenditure for the years 1980-1993. Individual country tables with data on social expenditure at programme-level are included in Part III.

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La base de données sur les dépenses sociales (SOCX) a été élaborée pour permettre d'observer l'évolution de l'ensemble des dépenses sociales ainsi que les modifications survenues dans la composition de ces dépenses. SOCX contient des informations sur les dépenses des principaux programmes de la politique sociale tels que les prestations de vieillesse et les allocations d'invalidité en espèces, les indemnités pour maladie professionnelle ou accidents de travail, les services aux personnes âgées et handicapées, les allocations aux survivants, les prestations de chômage, les autres prestations de garanties de ressources (bas revenus, allocations familiales et services aux familles); les dépenses publiques dans les domaines de la santé, de l'éducation et dans les programmes d'aide à l'emploi. En publiant cette base de données, l'OCDE souhaite, répondre au besoin croissant de ses pays membres d'information sur les politiques sociales.

Cette publication comprend trois parties:

Ière partie : guide pour l'interprétation des données de la base SOCX;

IIème partie : tableaux comparatifs des différents pays;

IIIème partie : tableaux par pays.

La première partie de cette publication renferme un guide pour l'interprétation des données contenues dans SOCX ainsi que des notions sur lesquelles la base est fondée. On y présente les différentes classifications de dépenses et on y recense certaines limitations des données. La deuxième partie de la publication se compose de tableaux comparatifs des dépenses sociales pour la période 1980-1993. La troisième partie contient les tableaux par pays avec des données sur les dépenses sociales par programme.

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**PART I. AN INTERPRETATIVE GUIDE TO THE SOCIAL EXPENDITURE DATA BASE
(SOCX)**

A. Introduction

1. The OECD Social Expenditure data base (SOCX) has been developed to provide a tool for monitoring trends in social expenditure at the aggregate level and to analyse changes in the composition of social expenditures. It is intended to serve as an accounting system for the OECD area. It builds on previous OECD work [OECD (1985; 1988; 1994*a*)]. However, in comparison with these previous publications, the current publication contains updated and far more detailed information.

2. The goal of social expenditures is to improve societal well-being by collective provision of goods and services to those in particular circumstances or with certain needs. This broad goal covers many areas of social expenditure of widely different natures, covering different groups of the population. This variety is reflected in the social expenditures included in SOCX. These include income transfers to persons after their retirement from the labour force; the provision of funds to those with low incomes and care services for the frail and elderly.

3. The System of National Accounts defines social benefits as current transfers received by households intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education or family circumstances [SNA (1993), section 8.7]. This publication is a first step in the development of a data base which will eventually describe expenditures for these purposes and their financing. This initial publication only includes information on expenditures except for education.

4. The intention of this interpretative guide to the social expenditure statistics of OECD Member countries is to give a concise overview of the underlying concepts of SOCX and guidelines on how to interpret the data presented in this publication. Section B presents and explains the definition of social expenditure. This discussion is extended in section C which outlines the present scope of SOCX¹.

5. Section D presents a categorisation of social expenditure into separate “social policy areas”. Throughout, a distinction between cash transfers and the provision of services underlies the categorisation. This categorisation of expenditures is flexible so as to accommodate the widely diverging characteristics of social expenditure systems across the OECD area and to accommodate possible future policy reforms. Social expenditure data is presented at the programme level, allowing for alternative categorisation of the expenditures if analysis so requires.

6. Section E.1 describes the data sources. In general, the data in SOCX for the years 1980-1993 have been provided by the national authorities of OECD Member countries. Data for the Member states of the European Union (except for Austria, Finland and Sweden) have been collected in co-operation with EUROSTAT (the Statistical Office of the European Union). Expenditure data on active labour market programmes (ALMP) and unemployment have been taken from the OECD data base on Labour Market Programmes, see [OECD (1990) and (1994*b*)]. Data on public expenditure on health have been drawn from the OECD Health data base [OECD (1993)].

7. In section E.2, various social expenditure programmes are used to illustrate which types of expenditures are presently included in SOCX and which currently fall outside its scope. Section F briefly discusses the aggregate trends in social expenditures across the OECD area since 1980. The interpretative guide finishes with a brief discussion of the future development of SOCX.

¹ Annex 1 to the interpretative guide describes the relationship between SOCX and the European System of Social Protection Statistics (ESSPROS), as developed by EUROSTAT [EUROSTAT, (1996*a*), forthcoming].

B. The Scope of Social Expenditure

8. SOCX uses the following definition of social expenditure:

Social expenditure is the provision by public (and private²) institutions of benefits to, and financial contributions targeted at, households and individuals in order to provide support during circumstances which adversely affect their welfare, provided that the provision of the benefits and financial contributions constitutes neither a direct payment for a particular good or service nor an individual contract or transfer. Such benefits can be cash transfers, or can be the direct (“in-kind”) provision of goods and services.

Thus, social expenditure can be provided by both public and private institutions, but transfers between households are not within the scope of SOCX.

9. Social expenditure is “unrequited”: it does not include “market transactions”, *i.e.* payments in return for the simultaneous provision of services of equivalent value³. Thus, remuneration (wages and salaries) for work⁴ is outside the scope of SOCX. Expenditures on active labour market programmes (ALMP) are considered to be within the scope of social expenditure as these represent the use of public funds to improve the beneficiaries’ prospect of finding gainful employment⁵. As these expenditures also provide social and economic benefits to employers, the social and economic benefits resulting from expenditures on ALMP are a joint product which cannot be separated. The same applies to any other social expenditures which enhances reintegration into economic life.

10. The provision of a benefit to a beneficiary can be conditional on certain actions of the beneficiary, as long as this does not involve the sale of services. For example, payment of unemployment compensation can be made conditional upon job-search effort on part of the recipient or the participation of the beneficiary in a vocational training programme.

11. The social expenditure totals included in this publication generally exclude administration costs, *i.e.* the costs incurred with the provision of benefits, as these expenditures do not go directly to the beneficiary⁶. However, regarding the provision of services such as under ALMP and public expenditure on health, the administration costs are included in the totals⁷. The inclusion of these expenses in the

² However, for the moment, private social expenditures are not included in SOCX - see Section E.2.

³ For example, when a person buys pharmaceutical products in case of illness, only the amount of reimbursement is regarded as social expenditure. That part of total expense which is not reimbursed is not regarded as social expenditure, but as a market transaction. Part of expenditures on active labour market programmes (ALMP) comprise payments targeted at beneficiaries who are working or in training. Ideally, the value of the work undertaken would be subtracted from the relevant gross public expenditures. However, separate data are not available. So gross expenditures for such programmes are recorded in SOCX. This exception does not apply to programmes other than ALMP.

⁴ On top of wages and salaries these expenditures could comprise: holiday pay, free housing to active employees, allowances for transport to and from work, allowances related to the cost of living and the provision of leisure facilities.

⁵ Furthermore, in times of high and persistent unemployment ALMP often become a means to absorb the unemployed without much chance of reintegrating them into work. Under these circumstances ALMP are rather similar to income support as under unemployment (10) - see Section D.

⁶ These costs include expenses on general overheads of a social expenditure programme, registration of beneficiaries, administration of benefits, collection of contributions, inspection and reinsurance. It is intended to publish such data in a separate Annex in future issues of this publication.

⁷ A subsidy by the government will only be recorded if (and only if) this subsidy is specifically intended for social purposes such as the provision of equipment and/or building facilities towards disabled welfare, residential care for

expenditures is justified as these expenses are a part of the service being provided to recipients, e.g. job-counselling, operating costs of hospitals, etc.⁸.

C. The Present Scope of SOCX

12. SOCX contains data on social expenditure at the disaggregated programme level paid and controlled by general government (that is central, state, and local governments including social security funds⁹). Social expenditures by governments to its own employers are considered to be public, regardless of whether governments are legally required to make such payments.

13. The data in this publication do not cover some forms of social expenditure. In particular, the pursuit of social objectives through the tax system¹⁰, data on private social expenditures (by employers or charitable institutions), and expenditures on education are currently excluded. SOCX will eventually be expanded to cover such expenditures (for more details, see section E).

14. For each country, SOCX includes data at the level of individual social expenditure programmes:

A social expenditure programme is defined as a body of rules, supported by one or more institutions, governing the provision of social expenditure benefits for a particular contingency.

These social expenditure programmes are the building blocks of SOCX.

D. Categorisation of Social Expenditure

15. SOCX categorises individual social expenditure programmes into the 13 social policy areas described in Table 1. The distinction between the provision of cash benefits and the provision of services underlies the choice of policy areas. The categorisation is broad so as to accommodate different institutional arrangements of countries. For example, old-age pensions are usually provided through a number of programmes, the details of which vary considerably between countries. The old-age pension category in Table 1 has three sub-categories intended to accommodate any old-age pension programme that may exist in a country. Countries do not necessarily have programmes in all sub-categories. If information is insufficiently detailed to permit classification of expenditures into one of the sub-categories, it will be classified as “non-attributable”. For example, if the old-age pension expenditure category cannot be exhaustively disaggregated over sub-categories 1.1.1, 1.1.2, and 1.1.3, the expenditures in category 1.1 “old-age pensions” is the sum of 1.1.0 (old-age pension, non-attributable), 1.1.1 (personal entitlements), 1.1.2 (spouse supplements) and 1.1.3 (child supplements).

the mentally disabled, etc. If a particular service, e.g. provision of rehabilitation services, is bought from other producers, the price charged by the producer, and thus net outlays by the government, will reflect capital costs for equipment and facilities. If these services are provided in-house, the expenditures should also reflect these costs.

⁸ Some Public Employment Services are also responsible for the provision of unemployment cash benefits. The relevant administration costs which should be excluded, cannot be separated.

⁹ Social security funds are social insurance schemes covering the community as a whole or large sections of the community that are imposed and controlled by government units [SNA (1993), sections 8.63 and 8.64]. Thus, payments through privately funded schemes (autonomous or non-autonomous), and unfunded employers schemes are not included in public expenditure (see section E.2).

¹⁰ However, where the administrative structure of the tax system is used to make direct expenditures (for example, “refundable tax-credits”), these expenditures are included in SOCX.

16. Old-age cash benefits (1) comprise all cash expenditures (including lump-sum payments) on old-age pensions within the public sphere as defined above. Old-age cash benefits provide an income for persons retired from the labour market or guarantee incomes when a person has reached a “standard” pensionable age or fulfilled the necessary contributory requirements. This category also includes early retirement pensions: pensions paid before the beneficiary has reached the “standard” pensionable age relevant to the programme. Excluded are programmes concerning early retirement for labour market reasons which are classified under unemployment (10). SOCX includes supplements for dependants paid to old-age pensioners with dependants under old-age cash benefits (1).

17. Disability cash benefits (2) comprise cash payments on account of complete or partial inability to participate gainfully in the labour market due to disability. The disability may be congenital, or be the result of an accident or illness during the victim’s lifetime. Not included are disability benefits due to prescribed industrial accidents or diseases. These are grouped under occupational injury and disease (3). The provision of goods and services in-kind is grouped under services for elderly and disabled people (5).

18. Spending on occupational injury and disease (3) records all cash payments such as paid sick leave, special allowances and disability related payments such as pensions, if they are related to prescribed occupational injuries and diseases¹¹.

19. Cash transfers, except those under occupational injuries and disease (3), related to loss of earning because of the temporary inability to work due to illness are recorded under sickness benefits (4). This excludes paid leave related to sickness or injury of a dependent child which is recorded under family cash benefits (7). All expenditures regarding the public provision of medical care are recorded under health (11).

20. Social expenditure on services for elderly and disabled people (5) encompasses services such as day-care and rehabilitation services, home-help services and other benefits in-kind. It also includes expenditure on the provision of residential care in an institution (*e.g.*, the cost of operating homes for the elderly).

21. Many countries have social expenditure programmes in the public sphere which provide the spouse or dependent of a deceased person with a benefit (either in cash or in kind). Expenditure in this policy area has been grouped among survivors (6). Allowances and supplements for dependent children of the recipient of a survivors’ benefit are also recorded here.

22. The categories family cash benefits (7) and family services (8) include expenditures which support families (*i.e.* excluding one-person households). These expenditures are often related to the costs associated with raising children or costs associated with the support of other dependants. Expenditure related to maternity and parental leave is grouped under family cash benefits sub-category (7.6).

23. The category active labour market programmes (9) contains all social expenditure (other than education) which is aimed at the improvement of the beneficiaries’ prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in

¹¹ The relevant data for all countries of the European Union, except Austria, Finland, and Sweden, have been taken from [EUROSTAT (1995a)], and include a small amount of public health care expenditure which currently cannot be separated from cash benefits. As these expenditures are also recorded in public expenditure on health (11.1), this amounts to a small double counting within SOCX. However, in future when EUROSTAT starts collecting data on an annual basis according to their newly revised methodology [EUROSTAT (1996a), *forthcoming*], it will be possible to separate out this medical care component.

Table 1. Categorisation of social expenditure in SOCX

1	OLD-AGE CASH BENEFITS (of which):	8	FAMILY SERVICES (of which):
1.1	Old-Age Pensions (of which):	8.1	Formal Day Care
1.1.1	Personal Entitlements	8.2	Personal Services
1.1.2	Spouse Supplements	8.3	Household Services
1.1.3	Child Supplements	8.4	Other Benefits in-Kind
1.2	Old-age Civil Servant Pensions		
1.3	Veteran's Old-Age Pensions:	9	ACTIVE LABOUR MARKET PROGRAMMES (of which):
1.4	Other Old-Age Cash Benefits	9.1	Labour Market Training (of which):
1.5	Early Retirement Pensions	9.1.1	Cash
		9.1.2	Services
2	DISABILITY CASH BENEFITS (of which):	9.2	Youth Measures (of which):
2.1	Disability Pensions (of which):	9.2.1	Cash
2.1.1	Personal Entitlements	9.2.2	Services
2.1.2	Spouse Supplements	9.3	Subsidised Employment (of which):
2.1.3	Child Supplements	9.3.1	Cash
2.2	Disabled Civil Servants Pensions	9.3.2	Services
2.3	Disabled Child Pensions	9.4	Employment Measures for Disabled (of which):
2.4	Disabled Veteran's Pensions	9.4.1	Cash
2.5	Disability Other Cash Benefits	9.4.2	Services
		9.5	Employment Service and Administration
3	OCCUPATIONAL INJURY & DISEASE	10	UNEMPLOYMENT (of which):
4	SICKNESS BENEFITS	10.1	Unemployment Compensation
		10.2	Early Retirement for Labour Market Reasons
5	SERVICES FOR ELDERLY & DISABLED PEOPLE	10.3	Severance Pay
5.1	Residential Care (of which):		
5.1.1	To children	11	HEALTH
5.1.2	To adults up to age 65	11.1	Public Expenditure on Health
5.1.3	To adults aged over 65		
5.2	Home-Help Services	12	HOUSING BENEFITS (of which):
5.2.1	To children	12.1	Rent Subsidies & Cash Benefits (of which):
5.2.2	To adults up to age 65	12.1.1	To elderly
5.2.3	To adults aged over 65	12.1.2	To disabled
5.3	Day-Care & Rehabilitation Services (of which):	12.1.3	To families
5.3.1	To children	12.1.4	To other
5.3.2	To adults up to age 65		
5.3.3	To adults aged over 65	13	OTHER CONTINGENCIES (of which):
5.4	Other Benefits in-Kind (of which):	13.1	Low Income (of which):
5.4.1	To children	13.1.1	Cash Benefits
5.4.2	To adults up to age 65	13.1.2	Services
5.4.3	To adults aged over 65	13.2	Indigenous Persons
		13.2.1	Cash Benefits
6	SURVIVORS (of which):	13.2.2	Services
6.1	Survivors Pensions (of which):	13.3	Miscellaneous (of which):
6.1.1	Widow(er)s Pensions	13.3.1	Cash Benefits
6.1.2	Orphans' Pensions	13.3.2	Services
6.1.3	Other Pensions	13.4	Immigrants/Refugees (of which):
6.2	Survivors Civil Servants Pensions	13.4.1	Cash Benefits
6.3	Survivors Benefits in-Kind	13.4.2	Services
6.4	Survivors Other Cash Benefits		
7	FAMILY CASH BENEFITS (of which):		
7.1	Family Allowances for Children		
7.2	Family Support Benefit		
7.3	Benefits for Other Dependents		
7.4	Lone Parent Cash Benefits		
7.5	Family Other Cash Benefits		
7.6	Maternity & Parental Leave		

transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled. For more detailed information regarding the categorisation of expenditure on ALMP, see [OECD (1990) and (1994b)].

24. The category unemployment (10) includes all cash expenditures to persons to compensate for unemployment. This includes redundancy payments out of public resources as well as pensions to beneficiaries before they reach the “standard” pensionable age if these payments are made because they are out of work or otherwise for reasons of labour market policy.

25. Social expenditure data in the health (11) policy area are taken from the OECD Health data base [OECD (1993)]. All public expenditure on health is included (not total health expenditure). Expenditure in this category encompasses, among other things, expenditure on in-patient care, ambulatory medical services and pharmaceutical goods. Individual health expenditure, insofar as it is not reimbursed by a public institution, is not included. As already noted, cash benefits related to sickness are recorded under sickness benefits (4).

26. Rent subsidies and other cash benefits to the individual to help with housing costs are grouped under housing (12).

27. The category other contingencies (13) includes social expenditures (both in cash and in kind) for those persons who for various reasons fall outside the scope of the relevant programme covering a particular contingency, or if this other benefit is insufficient to meet their needs. Social expenditure related to immigrant/refugees and indigenous persons are separately recorded in this category. Other social expenditure which is not attributable to other categories is included in the sub-category miscellaneous.

E. The Data

1. Data collection.

28. For all countries not belonging to the European Union (except Austria, Finland and Sweden), the national administrations have directly provided data on social expenditure programmes. For countries of the European Union, the data in SOCX have been taken from the “Digest-series”, as published by EUROSTAT and subsequently verified by national authorities. EUROSTAT has also recently published detailed data on expenditures related to Old Age and Survivors [EUROSTAT (1996b)]. Where expenditure data at programme level is not available for the years up to and including 1993, SOCX figures are, in part, based on extrapolations derived from aggregate expenditure data published in [EUROSTAT (1995a)]¹².

29. SOCX contains data for all OECD countries except Iceland. In general, data on active labour market programmes and unemployment compensation have been taken from the OECD data base on ALMP [OECD (1990) and (1994b)], supplemented in some cases with additional national sources. Data on public expenditure on health have been taken from the OECD Health data base [OECD (1993)]. The

¹² These figures will be adjusted when EUROSTAT starts to collect detailed expenditure data on an annual basis [EUROSTAT (1996a)].

consistency of the data taken from various sources has been verified to avoid double counting of social expenditures¹³. For a detailed description of sources, see Part II, notes and sources. For information concerning a particular programme, details can be found in Part III (the notes and sources to the detailed country tables).

30. Where information for some programmes is missing, the Secretariat has made estimates¹⁴. The figures which are estimates, and policy area aggregates of which over 50 per cent of the expenditures are estimated, have been italicised (see the tables in Parts II and III of this publication).

31. Some national authorities have provided brief comments on particular data inadequacies (e.g. incomplete information regarding social expenditures made at lower tiers of government) or more general interpretative problems (the difficulties of comparing low-tax, low-benefit countries with high-tax, high-benefit countries). These qualifying statements have been attached to the relevant individual country tables in Part III of this publication.

2. *General coverage*

32. There are significant differences in delivery arrangements across OECD countries. SOCX includes social expenditure data for all levels of government on a consistent basis (netting out transfers between levels of government, and covering local expenditure). However, the quality of the data varies across countries, in particular with respect to expenditures by lower tiers of government. For example, in Switzerland the “cantons” perform many functions which elsewhere are performed by central government. Some social welfare expenditures are administered by the “cantons” and are not currently available at the national level. Therefore, for those countries in a comparable situation, where the quality of the expenditure data at lower tiers of government is inadequate, (e.g. Australia, Canada, Japan and the United States), the reported expenditures are lower than actual government spending.

33. As noted in section C, SOCX presently includes only public expenditures. Social expenditures can be provided privately in the form of¹⁵:

- (i) Mandatory private social expenditures by employers;
- (ii) Non-mandatory private social expenditures by employers;
- (iii) Other non-mandatory private social expenditures.

34. Social insurance systems which are partly, or wholly, funded by employers, employees and the government are public expenditures. However, in some countries, public influence is extended further to institutions which may not immediately be regarded as being public. There is a grey area where the decision as to the classification of what is a public social expenditure programme is not clear-cut; certain

¹³ For example, the series on unemployment compensation in the data base on ALMP for the United Kingdom includes expenditures on housing benefit for the unemployed. However, the series on unemployment compensation in SOCX does not include the expenditures on housing benefit for the unemployed as this would constitute a double counting with the data on housing benefits.

¹⁴ For some of the countries of the EU (excluding Austria, Finland and Sweden), there are no detailed programme-by-programme expenditure data available for the most recent years regarding certain social policy areas. In co-operation with EUROSTAT, the OECD hopes to overcome this problem in the future. For the present publication, various supplementary sources have been used for recent years. Where supplementary sources were unavailable or incomplete, the Secretariat has made estimates for each relevant social policy area for these countries (see Parts II and III of this publication).

¹⁵ Individual contracts such as life-insurance policies are outside the sphere of what is regarded as “social” spending.

characteristics of the programme may be private whereas other characteristics would point to classification as public¹⁶. For example, in France certain “régimes particuliers”, such as ARRCO and AGIRC¹⁷ have some of the characteristics of a private programme: they are financed out of contributions by employers and employees and the stipulations are based on a collective agreement. However, these programmes are not voluntary and are regarded as being public (here they are considered to be part of general government)¹⁸. Some Dutch pension arrangements in the private sector have public characteristics. Initially voluntary collective agreements which cover pension stipulations are often enforced on a whole industry by administrative extension, and can therefore be classified as mandatory, *i.e.* required by law, private social expenditures. However, the government has no control over the terms of the agreements (level of contributions, level of benefits or any obligation to cover deficits of any pension funds involved). These expenditures are not regarded as part of general government.

35. Another example of mandatory social expenditures by employers are continued wage payments in cases where an employee is temporarily incapacitated to work due to illness. In many countries, employers are legally required to continue wage payments at a specified rate during the initial weeks of sickness. Although the government stipulates the level of these payments and its duration, these expenditures are outside what is regarded as public since it is individual employers who make these payments¹⁹ and the authorities are not financially liable in case of default²⁰. Subsequent to this initial period of legally required sickness payments, employers often continue with wage payments because of stipulations in a collective agreement. These expenditures would be regarded as non-mandatory private social expenditures provided by employers²¹. Payments by private institutions (charities) such as the “Red Cross”, are regarded as private social expenditures, and are also outside the present scope of SOCX. On the other hand, possible government subsidies to such institutions are regarded as public expenditures and are thus within the present scope of SOCX.

36. There are no comprehensive data on private social expenditures for all OECD Member countries. Therefore, the present scope of SOCX only includes public social expenditures. In some OECD countries the magnitude of private social expenditures is estimated to be considerable²². It is anticipated that future issues of this publication will include data on employer-provided social expenditures.

37. There are also limitations with respect to international comparisons which are related to the fiscal scope of benefits. The data in SOCX concern gross expenditures for all countries. At present, SOCX does not contain comprehensive information as to how, and the extent to which, governments

¹⁶ Moreover, the boundaries as to what is public or private may shift over time. For example, a substantial part of Dutch social expenditure programmes concerning sickness benefits has been privatised in the beginning of 1996 [Sociaal-Economische Raad (1995)].

¹⁷ ARRCO stands for Association des Régimes de Retraites Complémentaires and AGIRC for Association Générale des Institutions de Retraite des Cadres. Both schemes are complementary mandatory schemes for employers affiliated to the national employers association, regarding managerial staff (AGIRC) and non-managerial staff (ARRCO).

¹⁸ The public contributions cover aid by the State to certain programmes in deficit, as well as the financing of programmes specific to public administration [INSEE (1995), p. 188].

¹⁹ These payments are often made through non-autonomous employers' schemes [SNA (1993), section 8.63].

²⁰ The available data for Belgium concern continued wage payments in case of illness through the Institut National d'Assurance Maladie Invalidité (INAMI), which is part of general government.

²¹ Private employer-provided benefits such as old-age cash benefits, continued wage payments in case of illness, maternity, etc. Although such expenditures are presently not included in SOCX, they are considered as social expenditures since they do not require the simultaneous provision of services of equivalent value in exchange.

²² For example, in the United States private social welfare expenditures were estimated to amount to 13.7 per cent of GDP in 1992 [Social Security Administration (1995)].

pursue social policy objectives through the tax system (see Box 1)²³. The social expenditure totals reported here are not corrected for differences in the tax system. In addition to direct taxes, indirect taxes will affect the value to the beneficiary at a given level of benefit. Therefore, it is not appropriate to use the data directly in this publication for analysis regarding the purchasing power of benefit claimants.

38. Only those tax credits which are refundable, and thus give a fixed entitlement to the recipient regardless of the taxable income of the recipient, are included in SOCX. For example, the United States Earned Income Tax Credit (EITC) is only available to low and moderate income workers who have earned income and meet specified adjusted income thresholds²⁴. Other examples of refundable tax credits are the Child tax benefit programme in Canada and the Family support programme in New Zealand. These refundable tax credits are included in SOCX.

39. Some gaps in coverage of social expenditure in some countries restrict cross-country comparability. For example, there are no data available on the provision of services for elderly and disabled people(5) for Greece and Switzerland. Expenditure data on ALMP prior to 1985 are only available for Canada, Denmark, Finland, France, Luxembourg, the Netherlands, New Zealand, Spain, Sweden, the United Kingdom and the United States. The absence of information on expenditure in certain policy areas for various countries hampers a straightforward comparison of the calculated social expenditure aggregates.

F. Trends in Public Social Expenditure²⁵

40. The previous section illustrated with some examples the caveats encountered when directly comparing the social expenditure data in SOCX. Such “health warnings” regarding the levels of social expenditure are entirely appropriate since institutional characteristics, which vary from country to country, underlie the data in SOCX. It is more appropriate to compare trends in data series as they appear within a country-specific institutional framework.

41. The cross-country data on social expenditure are presented in Tables 1.1 to 3., and Chart 1, whereas the data on Gross Domestic Product (GDP) are presented in Table 4. All data presented concern the period 1980-1993, or 1980-1992 for Australia, Belgium, Japan, New Zealand and Switzerland. Data on Mexico are only available for the period 1985-1992. In Tables 1.1. to 1.3., the data presented are: total social expenditure (public), total public expenditure on health and non-health social expenditure as a percentage of GDP. Real growth rates for these three categories, expressed as percentage point changes from the previous period, are also presented. From these three tables, it appears that across the OECD area increases in social expenditure as a percentage of GDP have been in the range

²³ Another feature which affects the gross-net comparison of expenditure data is “figurative spending” regarding unemployment insurance as prevalent in, for example, Italy. Figurative spending means that those social security contributions not paid in periods of unintentional unemployment of the insured person are charged to general government in order to ensure present and future payment of benefits. This process does not actually involve a transfer from the government to households. These data have been included in SOCX in order to maintain consistency with the data for other countries which record expenditures before the deduction of taxes or social contributions (see Box 1).

²⁴ The computation of the credit level also depends on the number of dependent children.

²⁵ The Tables referred to in this section are in Part II of this publication.

Box 1 Taxes and social expenditure

The data included in this publication refer to the *gross level of direct spending* by all levels of government for social purposes. However, they do not show net outlays, because they do not take account of the effects of the different tax treatments of social expenditures.

Consider two countries with a cash benefit. In one country, \$50 per week is paid to recipients and this is not taxed. In the other, \$100 is paid but it is taxed at a rate of 50 per cent. Hence of the \$100, \$50 will be paid back to government. The net cost to government in both cases is \$50. But in the former case, gross direct expenditure (as is recorded in the data base) on the benefit is \$50; in the latter it is \$100.

In addition to the direct social expenditures recorded in this publication, it is therefore possible to define other measures of social expenditures. The failure to tax the benefit in the example given above is a form of “fiscal benefit” or “tax expenditure”. A more complete coverage of the “effort” which is put into pursuing social ends might be found by calculating these fiscal benefits as well as gross direct social expenditures. Hence, when comparing the two countries in the example above, one country would be found to have gross direct expenditure of \$100 whereas the other would have a gross direct expenditure of \$50 plus a fiscal benefit expenditure. (There are various ways of calculating tax expenditures, one of which -- the Outlay Equivalent measure -- would give a value of the fiscal benefit of \$50 in this case. Other, more commonly used methods would give a somewhat lower figure).

A further measure of social expenditure could be found by subtracting all tax paid on cash transfers, so getting a figure for direct expenditures net of tax. In the example given above, the net direct social expenditure would be \$50 in each case.

Attempts have been made to adjust gross direct expenditures in various ways in order to get an expenditure estimate which shows net outlays. The table below reports the results of one such study. The Netherlands has a much greater gross direct expenditure than the other two countries. However, it uses fewer tax concessions and collects taxes on cash transfers more than Germany and the United Kingdom. Direct social expenditure differs across these countries far more than appears to be the case after making adjustments reflecting different tax treatments.

Table B.1. Social Expenditure in 1990 as a percentage of GDP

	western Germany	The Netherlands	United Kingdom
Expenditure	27.0	32.2	22.7
Direct Social			
Fiscal Social	1.9	1.2	2.0
Benefits			
Tax on Direct Social	-1.7	-5.1	-0.2
Expenditure			
Net total Social	27.2	28.3	24.5
Expenditure			

Source: *Social Zekerheid: Stelsels en Regelingen in Enkele Europese Landen* (1995), Einerhand, M., Kerklaan, M., Metz, H. Siegelaar, E. and Vliegenthart, M., Ministerie van Sociale Zaken en Werkgelegenheid, the Hague.

of 2 to 6 percentage points over the period 1980-1993²⁶. Over the reference period, social expenditure as a percentage of GDP increased by less than 2 percentage points in Belgium, Ireland, Japan²⁷ and the Netherlands, and actually fell in western Germany²⁸. During the same period the social expenditure to GDP ratio grew by more than 6 percentage points in Canada, Finland, France, Greece, Italy, Norway, Spain, and Sweden. For the period after 1985, substantial increases in the social expenditure to GDP ratio occurred only in Finland, Norway and Sweden (12, 9 and 6.5 percentage points, respectively). Social expenditure relative to GDP actually fell in Belgium, western Germany and Ireland.

42. There is a positive relationship between GDP growth and growth in social expenditure. This is unsurprising as much social spending is wage-related, and wage growth is likely to be closely linked with the growth in the economy. Also, the level of some cash benefits is *de facto* or *de jure* related to the level of wages. There is substantially more variation in the real value of social expenditures compared with the relative stability of the expenditure-GDP ratio, reflecting the divergent economic growth experiences of OECD Member countries. Particularly large real increases in social expenditure took place between 1980 and 1985 in Greece, and between 1986 and 1991 in Portugal. The rapid increases in Finland and Sweden in the beginning of the 1990s are due to the recession with declining GDP and increasing unemployment. The countries which experienced relatively minor increases in the expenditure to GDP ratio (Belgium, western Germany, Ireland, Japan and the Netherlands) experienced - like the other countries - near-continuous real annual growth over the whole sample period.

43. There is considerable variation in patterns of public expenditure on health relative to GDP across the OECD Member countries (Table 1.3.). Belgium, Canada, Finland, France, Luxembourg, Spain and the United States experienced an increase in public expenditure on health vis-à-vis GDP exceeding 1 percentage point, and in all these countries, the rise appeared to be most pronounced in the period after 1985. From 1980 to 1993, public expenditure on health relative to GDP decreased by almost 2.5 per cent in Sweden, while a comparable downward trend in Ireland ended at the beginning of the 1990s. In 1993²⁹, public expenditure on health is within the range of 5 to 8 percentage points of GDP in all countries, except Mexico. There is much more variation in the levels and trends regarding non-health social expenditures (Table 1.2. and Chart 1). During the period 1985-1993, the ratio of public expenditure on health to total social expenditure declined by more than 2 percentage points in Australia, Finland, Norway, Portugal, Sweden, and Turkey, while the most notable increase - exceeding 5 percentage points - was in the United States (Table 3.)

44. Large decreases in non-health social expenditures relative to GDP of about 2 percentage points occurred in Belgium and Ireland in the period 1986 to 1993 (1992 for Belgium). The most notable increases in non-health social expenditures were in Finland, Norway and Sweden. Non-health expenditures in Norway have increased without interruption: about 10 per cent over the whole sample period.

²⁶ Fluctuations in total social expenditure as a percentage of GDP can be related to: abolition or inception of social expenditure programmes; changes in the number of beneficiaries of a social expenditure programmes; changes in the generosity of social expenditure programmes; a change in the ratio of public social expenditures to private social expenditures; the phase of the business cycle and changes in the demographic composition of a population. A clear causal relationship between one (or more) of these factors and fluctuations of the social expenditure totals cannot always be made.

²⁷ Data for Belgium and Ireland on ALMP are not available for the period prior to 1985 (1987 for Japan).

²⁸ Germany refers to the Federal Republic of Germany after the unification of Germany and western Germany refers to the Federal Republic of Germany before the unification of Germany.

²⁹ 1992 for Australia, Belgium, Japan, Mexico, New Zealand and Switzerland.

45. Tables 2.1. to 2.12. present social expenditure per social policy area as a percentage of GDP as well as the relevant real annual growth rates. The increase in non-health expenditures in Norway can be linked with increases in expenditures in many policy areas: old-age cash benefits, disability cash benefits, expenditures on services for elderly and disabled people, family cash benefits and services as well as expenditures on ALMP and unemployment compensation. In contrast, the surge in non-health expenditures relative to GDP in Finland and Sweden at the beginning of the 1990s is closely related to fluctuations in aggregate demand (Tables 2.9., 2.10. and 4.).

46. Even within a country-specific context, changes in legislation reflecting changing public social policy objectives can induce a marked increase in spending in the context of a social expenditure programme within a relatively short period of time. In Austria for example, because of changed eligibility criteria and increased generosity, spending on maternity and parental leave (“Karenzurlaubsgeld”) almost doubled from 1991 to 1992³⁰. However, unlike expenditure on unemployment compensation, and to a lesser extent ALMP, expenditure in other social policy areas is generally not susceptible to much short-run variation (Chart 1).

G. The Future of SOCX

47. Institutional changes and social welfare reforms occur all the time and hamper the collection of perfectly consistent time-series in the field of social expenditure. For this reason alone, the development of SOCX is an ongoing process. In addition to this intrinsic process of development, SOCX will be extended to cover other social expenditures. Initially, the Secretariat will concentrate on gathering comprehensive information on private social expenditures, in particular, employer-provided benefits. Also, indicators which adjust for institutional and fiscal differences across countries will be developed.

48. In the future, it is the Secretariat’s intention to add data concerning expenditures on education, the financing of social expenditure and the number of beneficiaries and benefits will be collected. Efforts will also be made to improve coverage of social expenditures at lower tiers of government. Finally, information on new Member states of the OECD and countries in Central Europe will be included.

³⁰ Another example is Japan - see Chart 1 - where expenditures on disability cash benefits increased because of the pension reform in 1985 [Social Insurance Agency Japanese Government (1995), p. 61].

ANNEX 1. RELATIONSHIP WITH ESSPROS - CATEGORISATION OF DATA

A1. The present scope of SOCX is somewhat different from that of the revised core system of ESSPROS, *i.e.* the European System of Social Protection Statistics (Table 1.1.). Nonetheless, satisfactory implementation of both systems requires the collation of data at programme level³¹.

A2. The main difference in presentation relates to the classification structures used by the two organisations³². However, data collated according to SOCX can be re-grouped into the main ESSPROS functions: a concordance between the two is attached (Table 1.1.).

A3. The extent to which the ESSPROS classification can be implemented is limited by the availability of detailed information within each programme. ESSPROS requires that programme expenditure be allocated by function³³ (old age, survivors, etc.). The classification system adopted for SOCX provides for this disaggregation to be recorded, so that the ESSPROS categories can be derived in all cases in which the data required are available³⁴.

A4. With respect to expenditures, the two systems are basically the same except for classification categories and the scope of social expenditure.

³¹ Within the sphere of ESSPROS, the definition of a “social benefit” is equivalent to a social expenditure programme. If, and only if, a “social protection scheme” [EUROSTAT (1996a), forthcoming] concerns the provision of one “social benefit”, a “social protection scheme” is effectively equivalent to a social expenditure programme.

³² SOCX does not presently apply a grouping of expenditures - whether by “social protection schemes” or social expenditure programmes - regarding the following disaggregations: compulsory versus voluntary; contributory versus non-contributory; and basic versus supplementary.

³³ Definitions within SOCX are not specifically related to a functional framework as used in ESSPROS, as this is not regarded as appropriate for use in the wider group of countries covered by the OECD.

³⁴ In contrast to ESSPROS, SOCX categorises supplements for dependants (*e.g.*, children) paid in the framework of a particular programme (for example a supplement for dependants to disability pension) in the relevant social policy area: *e.g.*, disability cash benefits (2).

Table 1.1. Differences in categorisation between SOCX and the provisional revised core system of ESSPROS.

Expenditures	SOCX	ESSPROS
All non-public social expenditures	Not in SOCX	Included in core system of ESSPROS
Auxiliary expenditures for dependants (e.g. child supplements to old-age pensioners)	Categorised with the relevant programme according to social policy areas: Old-age cash benefits, Disability cash benefits, Sickness benefits, Survivors and Unemployment.	Family/Children function
Occupational injuries and diseases (cash) ¹	3. Occupational injury and disease	Disability function/ Sickness function
Sickness benefits (cash)	4. Sickness benefits	Sickness function
In-kind benefits for old-age pensioners	5. Services for elderly and disabled people	Old age function
In-kind benefits for disability pensioners	5. Services for elderly and disabled people	Disability function
Maternity and parental leave	7. Family cash benefits	Family/children function
In-kind family benefits	8. Family services	Family/children function
Employment promotion measures	9. ALMP	Not in core system of ESSPROS ²
Benefits to promote employment of disabled (e.g. sheltered workshops)	9. ALMP	Disability function
Rehabilitation benefits (in kind) related to employment promotion for the disabled	9. ALMP	Disability function
Vocational training allowance	9. ALMP	Unemployment function
Severance payments (redundancy compensation) ³	10. Unemployment (only when public)	Unemployment function
Public expenditure on health ⁴	11. Health	Sickness function
Housing cash benefits	12. Housing	Housing function
Low income	13. Other contingencies	Social exclusion n.e.c. function ⁵
Indigenous persons	13. Other contingencies	Social exclusion n.e.c. function ⁵

1. Except for various small miscellaneous cash benefits which cannot be separated from other cash payments and which are categorised under 2. Disability cash benefits.
2. With the exception of direct benefits recorded in the Unemployment function.
3. In ESSPROS severance payments theoretically include all payments when the employee is not at fault as regards the break-up of the labour contract. In practice only payments by the government and big private enterprises are recorded.
4. See Annex to EUROSTAT (1994), Digest of Statistics on Social Protection in Europe, Volume 5: Sickness, Luxembourg, and OECD (1993), *OECD Health Systems: Facts and Trends*, Paris.
5. "n.e.c." stands for not elsewhere classified.

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PART II. COMPARATIVE COUNTRY TABLES AND CHARTS

Conventional Signs

- .. Data not available.
- Nil or less than half of the last digit used.
- : Included elsewhere.
- ◇ Not applicable.
- . Decimal point.

| Break in series (defined as a significant change in data availability).

The figures which are estimates, and policy area aggregates of which over 50 per cent of the expenditures is estimated, are in italics.

General Note

In Tables 1.1. to 2.12., the expenditures are expressed as a percentage of Gross Domestic Product. Also presented are real annual growth rates: *i.e.* percentage point changes from the previous period.

SOCX contains data for all OECD countries except Iceland.

Germany refers to the Federal Republic of Germany after the unification of Germany and western Germany refers to the Federal Republic of Germany before the unification of Germany. Social expenditure for Germany is presented as from 1991. Detailed social expenditure data is presented for western Germany as from 1980.

Data for Mexico are available from 1985 onwards

Social expenditure data for Switzerland are only available for 1980, 1985, 1990 and 1992.

Comprehensive social expenditure data for Austria are only available for 1980, 1985, 1990-93.

Detailed information on the sources and estimates can be found in either the notes and sources to Part II or, when it concerns information at the programme level, in the notes to the individual country tables in Part III.

The recording period with respect to the social expenditure data is not the same for each country. Most countries report data by calendar year (1 January to 31 December), except for Australia, Canada, New Zealand, Japan, the United Kingdom and the United States where the data reported pertain to a financial year which differs from the calendar year. In accordance with OECD statistical practice, for Australia and New Zealand the financial year refers to the period 1 July to 30 June. For example, the 1990 data recorded in SOCX for Australia and New Zealand refer to the period July 1990 to June 1991³⁵. Analogously, the 1990 data recorded in SOCX on the United States refer to the period October 1989 to September 1990. For Canada, Japan and the United Kingdom the reported data in SOCX for 1990 refer to April 1990 to March 1991. For those tables and graphs where GDP and the GDP deflator have been used, it has been done in such a manner that it matches the relevant quarters of the financial year. For all other countries GDP data refer to calendar years.

³⁵ The 1989 data on New Zealand in SOCX refers to the period April 1989 to March 1990. The national authorities of New Zealand regard the period April 1989 to March 1990 as financial year 1990. The national authorities of Australia and New Zealand regard the period July 1990 to June 1991 as financial year 1991.

Notes and Sources to the Comparative Tables and Charts

The notes and sources in Part II refer only to expenditure data at social policy area level as presented in the previous tables. Whenever estimates have been made and/or data have been obtained at a programme level, reference is made to the notes and sources which are attached to the individual country tables presented in Part III.

A Expenditure on ALMP, Unemployment, and Public Expenditure on Health

Data from 1985 onwards (1986 for *New Zealand, Portugal, Spain* and the *United States*) on ALMP (9) and unemployment (10) are taken from the OECD data base on Labour Market Programmes, as at January 1996, except for:

*Germany and western Germany*³⁶: for western Germany the data from the OECD data base on Labour Market Programmes only extend to 1990. The annual growth rates of the series “beschäftigungsförderung und Arbeitslosigkeit” (Sozialbudget insgesamt) taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*], were applied to extend the western German ALMP and unemployment series to 1993;

Ireland: the ALMP-series was extended from 1991 to 1993 by applying the growth rate of the previous period on the relevant observations;

Japan: the data on unemployment are consistent with both the ALMP data base as at January 1996 and data as published in [Social Development Research Institute, *The Cost of Social Security in Japan*, (various issues)].

The expenditure data on health (11) are taken from the OECD Health data base, as at January 1996, except for:

Germany and western Germany: the expenditure data are on western Germany only. In order to obtain a series on public expenditure on health for Germany, the series “krankheit” (Sozialbudget insgesamt) were taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*]. The ratio “krankheit”/public expenditure on health for western Germany was multiplied with the “krankheit” series for Germany, giving values for total public expenditure on health for Germany;

Mexico: the data are supplied by Secretaria del Trabajo y Prevision Social.

GDP data are taken from the OECD Analytical Data Base, as at January 1996.

B Other Policy Areas for Twelve Countries of the European Union

Except for the data as under A, for the twelve countries of the European Union (*Belgium, Denmark, France, Germany (and western Germany), Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain*, and the *United Kingdom*) data have been provided by EUROSTAT. The sources for each social policy area are described below.

Old age cash benefits (1)

Data for the years 1980 to 1993 (1992 for *Belgium*), are taken from [EUROSTAT (1996), *Digest of Statistics on Social Protection in Europe, Old Age and Survivors 1980 - 1993*, Luxembourg].

Disability cash benefits (2)

For the years 1980-1990 (1988 for *Belgium*, 1989 for *Greece* and *Spain*, and 1981-1988 for *France*), data are taken from [EUROSTAT (1992), *Digest of Statistics on Social Protection in Europe, Volume 2: Invalidity / Disability*]. From 1991 onwards, data are also taken from national sources:

Belgium: the data for 1989-1992 were supplied by the Ministère des Affaires Sociales, de la Santé Publique et de l'Environnement;

Germany and western Germany: the series “Invalidität (allgemein)”, (Sozialbudget insgesamt) are taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*];

Ireland, Italy and the *United Kingdom*: see the notes and sources in Part III.

Estimation procedure (all countries except *Belgium, Ireland, Italy* and the *United Kingdom*):

For the years 1980-1990, a ratio DB (SOCX disability cash benefits/(SOCX disability cash benefits + SOCX disability services)) is calculated. A 5-year average annual growth rate is applied to estimate the missing values for this ratio. For the years 1989-1993, the total disability series (EDB) is taken from [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*]. This series is multiplied with the ratio DB to obtain a series called EDBC. The annual growth rate of EDBC is used to obtain the values for total disability cash benefits (2) as in SOCX.

France: the 1980-1981 growth rate of the total invalidity series as taken from EUROSTAT was applied to the 1981 observation of the total disability cash series, giving an observation for 1980.

Germany and western Germany: for western Germany as above, except that the ratio DB is multiplied with the series “Invalidität (allgemein)”, (Sozialbudget insgesamt). For the years 1991-1993, the ratio total disability cash benefits/“Invalidität (allgemein)”, for western Germany was multiplied with the series “Invalidität (allgemein)” for Germany, so as to obtain total disability cash benefits (2) for Germany.

Ireland and the United Kingdom: see notes and sources in Part III.

³⁶ Germany refers to the Federal Republic of Germany after the unification of Germany and western Germany refers to the Federal Republic of Germany before the unification of Germany.

Italy: for the years 1991 to 1993, the total of disability cash benefits under “previdenza” and “assistenza”, less the in kind benefit “assistenza sociale”. was applied to the annual growth rate of the previous years.

Occupational injury and disease (3)

For the years 1980-1993 data are taken from [EUROSTAT (1994), *Social Protection Expenditure and Receipts 1980-1992*], and [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*]. From 1989 onwards, data are taken from national sources for: *Germany and western Germany*; the series “Arbeitsunfall und berufskrankheit (Sozialbudget insgesamt)” are taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*]; *Ireland*: the series “Occupational injury benefits” is taken from [Department of Social Welfare (1990) and (1994), *Statistical Information on Social Welfare Statistics*].

Sickness benefits (4)

For the years 1980-1991 (1990 for *Belgium* and *Greece*), data are taken from [EUROSTAT (1994), *Digest of Statistics on Social Protection in Europe, Volume 5: Sickness*]. From 1992 onwards, data are taken from national sources: *Belgium*: the data up to 1992 were supplied by the Ministère des Affaires Sociales, de la Santé Publique et de l’Environnement; *Germany and western Germany*: the series “Krankheit” (Entgeltfortzahlung im krankheitsfall) are taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*]. *Italy*: for the data up to and including 1993, see the notes and sources in Part III.

Estimation procedure (for all countries except *Belgium, Germany, western Germany, Ireland, Italy* and *Luxembourg*):

For the years 1980-1991, total sickness is taken from [EUROSTAT (1995), *Digest of Statistics on Social Protection in Europe, Volume 5: Sickness*]. For the years 1980-1991, a ratio SB (SOCX sickness benefit/total sickness) is calculated; the remaining years until 1993 are estimated using a 5-year annual average growth rate. For the years 1992-1993, total sickness as taken from: [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*] is multiplied with the ratio SB to obtain the missing values for total sickness benefit (4) in SOCX.

Germany and western Germany: for western Germany (1980-1991), a ratio SB was calculated by dividing the series sickness benefits as in SOCX by the series “krankheit” (Entgeltfortzahlung im krankheitsfall) for western Germany. This ratio was extended by applying the 5-year average annual growth rate of the available series. To extend the series sickness benefit (4) for western Germany, the ratio SB was multiplied with the series “krankheit” (Entgeltfortzahlung im krankheitsfall) for western Germany. For the years 1991-1993, the ratio sickness benefit/“krankheit” (Entgeltfortzahlung im krankheitsfall) for western Germany was multiplied by the series “krankheit” (Entgeltfortzahlung im krankheitsfall) for Germany, so as to obtain total sickness benefit (4) for Germany.

Ireland: for the years 1991-1993, the annual growth rate of the “OIF disability benefit” was applied.

Services for elderly and disabled people (5)

Data for the years 1980 to 1993 (1992 for *Belgium*, for 1981-1988 *France*.) are taken from [EUROSTAT (1996), *Digest of Statistics on Social Protection in Europe, Old Age and Survivors 1980 - 1993, Luxembourg*], and for the years 1980-1990 (1989 for *Greece* and *Spain*), data are taken from [EUROSTAT (1992), *Digest of Statistics on Social Protection in Europe, Volume 2: Invalidity / Disability*].

Estimation procedure for *France, Germany, western Germany* and *Luxembourg*:

For the relevant years the series EDBC is deducted from EDB to obtain the series EDBS: “disability services”, see disability cash benefits (2). For all years, a ratio OA (SOCX old age cash benefits/(SOCX old age cash benefits + SOCX old age services)) is calculated. Total old-age cash benefits is multiplied with OA to obtain a series EOAS: “old age services”. The series EOAS and EDBS have been added to obtain ES: “old age and disability services”. The annual growth rate of this series was used to extend the series total services for the elderly and disabled (5) from 1991 to 1993.

France: the 1980-1981 growth rate of the total invalidity series as taken from EUROSTAT (see above) was applied to the 1981 observation of the series “total other benefits in kind”, giving an observation for 1980. The sub-totals within this policy area were subsequently added-up, giving the value for total social expenditure on services for elderly and disabled people (5) in 1980.

Germany and western Germany: for the years 1991-1993, total services for the elderly and disabled (5) for western Germany is multiplied with the ratio ESG (ES Germany/ ES western Germany) to obtain total services for the elderly and disabled (5) for Germany.

United Kingdom: see the notes and sources in Part III.

Survivors (6)

For the years 1980-1993 (1992 for *Belgium* and 1981-1993 for *France*), data are taken from [EUROSTAT (1996), *Digest of Statistics on Social Protection in Europe, Old Age and Survivors 1980 - 1993, Luxembourg*].

Family cash benefits (7)

These sources and calculations below do **not** include expenditures on maternity and parental leave (7.6). These are treated separately (see section ii below).

For the years 1980-1990, data are taken from [EUROSTAT (1993), *Digest of Statistics on Social Protection in Europe, Volume 4: Family*]. From 1991 onwards, data are taken from national sources:

Belgium: the data up to and including 1992 were supplied by the Ministère des Affaires Sociales, de la Santé Publique et de l'Environnement;

Germany and western Germany: the series "family", (Sozialbudget insgesamt) are taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*];

Ireland, Italy, the Netherlands and the United Kingdom: see the notes and sources in Part III.

Estimation procedure (all countries except *Belgium, Denmark, Ireland, Italy, the Netherlands and the United Kingdom*):

(i) For the years 1980-1990, a ratio FC (SOCX family cash benefits/(SOCX family cash benefits + SOCX family services)) is calculated. A 5-year average annual growth rate is applied to estimate the missing values for this ratio. For the years 1988-1993, the total family series is taken from [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*]. For the years 1991-1993, this series is multiplied by the ratio FC to obtain a series called EFC. The annual growth rate of EFC is used to obtain the missing values for family cash benefits excluding maternity and parental leave benefits.

Denmark: for 1993, the previous year's annual growth rate was applied to the 1992 observation.

Germany and western Germany: for western Germany as above, except that the ratio DB is multiplied with the series "familie", (Sozialbudget insgesamt). For the years 1991-1993, the ratio family cash benefits/"familie" (Sozialbudget insgesamt) for western Germany was multiplied by the series "familie" (Sozialbudget insgesamt) for Germany, so as to obtain family cash benefits excluding maternity and parental leave benefits for Germany.

Netherlands: see the notes and sources in Part III.

Maternity and parental leave (7.6)

For the years 1980-1991, data are taken from [EUROSTAT (1995), *Digest of Statistics on Social Protection in Europe, Volume 5: Maternity*]. From 1992 onwards, data are taken from national sources for:

Belgium: the data up to 1992 were supplied by the Ministère des Affaires Sociales, de la Santé Publique et de l'Environnement;

Denmark: the data up to 1993 are from [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*].

Germany and western Germany: the series "mutterschaft" (Entgeltfortzahlung) are taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*];

Ireland, Italy and the United Kingdom: see the notes and sources in Part III.

Estimation procedure (for all twelve countries except *Belgium, Denmark, Ireland, Italy and the United Kingdom*):

ii) For the years 1980-1993, total maternity (MAT) is taken from [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*]. For the years 1980-1991, a ratio M (SOCX maternity/total maternity) is calculated; while the remaining observations are calculated applying a 5-year average annual growth rate on the available series. For the years 1992-1993, the total maternity series is multiplied with the ratio M to obtain the missing values for total maternity and parental leave benefits as in SOCX.

Greece: as above, except the annual growth rate of the series MAT has been applied to extend the total maternity series (MD) as taken from [EUROSTAT (1995), *Digest of Statistics on Social Protection in Europe, Volume 5: Maternity*]. For the years 1992-1993 the series MD has been multiplied with ratio M to obtain total maternity and parental leave benefits as in SOCX.

Germany and western Germany: for western Germany, the annual growth rate of the "mutterschaft" series was applied to the total maternity and parental leave series as in SOCX in order to extend this series until 1993. The ratio total maternity and parental leave series/"mutterschaft" for western Germany was multiplied with the "Mutterschaft" series for Germany, so to obtain values for the total maternity and parental leave series for Germany.

United Kingdom: see the notes and sources in Part III.

For all countries: total family cash benefits (7) as in SOCX is the sum of family cash benefits as under (i) and total maternity and parental leave (ii).

Family services (8)

For the years 1980-1990, data are taken from [EUROSTAT (1993), *Digest of Statistics on Social Protection in Europe, Volume 4: Family*]. From 1991 onwards:

Belgium: for 1991 and 1992 data were supplied by the Ministère des Affaires Sociales, de la Santé Publique et de l'Environnement;

Denmark: for 1993, the previous year's annual growth rate was applied to the 1992 observation;

Germany and western Germany: the series "jugendhilfe" are taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*];

Ireland: see the notes and sources in Part III.

Estimation procedure (for all twelve countries except *Belgium, Denmark, Germany, western Germany and Ireland*):

Total family services are obtained by subtracting the series EFC - see [family cash benefits \(5\)](#) - from total family as taken from [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*]. The annual growth rate of the series EFC was applied to extend total family services.

Germany and western Germany: for western Germany, the annual growth rate of the "jugendhilfe" series was applied to extend the series on formal day care (8.1) until 1993. The series family other benefits in kind (8.4) was extended to 1993 by applying the 5-year annual average growth rate of the available series. Total family services equals the sum of (8.1) and (8.4). For the years 1991-1993, the ratio total family services

/"jugendhilfe" for western Germany was multiplied with the "jugendhilfe" series for Germany, so to obtain values for total family services (8) for Germany.

ALMP (9) For the years **1980-1985**, data on expenditures - where available - are supplied by the following national sources:

Denmark: the Ministry of Labour;

France: the Ministère du Travail, de l'Emploi et de la formation Professionnelle;

western Germany: the Bundesministerium Für Arbeit und Sozialordnung;

Luxembourg: the Ministère du Travail;

Netherlands: the Employment Service Central Office;

Spain: the Ministerio de Trabajo y Seguridad Social;

United Kingdom: the Department of Employment.

Unemployment (10) For the years **1980-1985**, data were supplied by national sources for *Denmark, France, western Germany, Luxembourg and the United Kingdom*, as indicated under **ALMP (9)**. For *Belgium, Greece, Ireland and Portugal*, data are taken from [EUROSTAT (1994), *Digest of Statistics on Social Protection in Europe, Volume 7: Unemployment*]. These series are consistent with those in the ALMP data base for the period after 1985.

Italy: see [Del Boca (1995) *Prospettive di Riforma degli Strumenti d'Integrazione del Reddito Nell'Ambito della Spesa Sociale*, Università di Brescia].

Estimation procedure:

Netherlands: the available series on unemployment for the period after 1985 has been extrapolated backwards, for more detail see the notes and sources in Part III.

Housing (12)

For the years 1980-1993 data are taken from [EUROSTAT (1994), *Social Protection Expenditure and Receipts 1980-1992*], and [EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*], except for:

Germany and western Germany: the series "wohnungswesen" (Sozialbudget insgesamt), was taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*];

Italy: for the years 1992 and 1993, data are taken from [Ministero del Bilancio (1994), *Relazione Generale sulla Situazione Economica del Paese*].

Other contingencies (13)

Data for the years 1980-1991 (1992 for *Luxembourg and the Netherlands* are taken from [EUROSTAT (1992), *Digest of Statistics on Social Protection in Europe, Volume 8: General Neediness*], in order to obtain a total other contingencies series (13). From 1992 onwards, data are taken from national sources for:

Belgium: the data for 1991 and 1992 were supplied by the Ministère des Affaires Sociales, de la Santé Publique et de l'Environnement;

France: the data are taken from [Ministère des Affaires Sociales de la Santé et de la Ville (1994), *Les Comptes de la Sécurité Sociale, Régime Général, Résultats 1993*];

Germany and western Germany: the series "sonstige leistungen" (Sozialhilfe insgesamt), was taken from [Federal Ministry of Labour and Social Affairs (1994), *ESSOSS 1993*];

Ireland: for 1992, see the notes and sources in Part III,

Luxembourg: the data were taken from [Ministère de la Sécurité Sociale (1994), *Rapport sur la Sécurité Sociale 1993*];

United Kingdom: for 1992, see the notes and sources in Part III.

Estimation procedure (for *Denmark, the Netherlands, Portugal, Spain and the United Kingdom*):

The application of a 5-years average annual growth rate to extend the total other contingencies (13) series to 1993.

Belgium: for 1993, the previous year's growth rate was applied to 1992;

Ireland: application of the annual growth rate of the "National fuel scheme" series on the available 1992 observation for total contingencies;

Germany and western Germany: for western Germany, the annual growth rate of the "Sonstige leistungen" series was applied to the total other contingencies series (13) as in SOCX in order to extend this series until 1993. For the years 1991-1993, the ratio total other contingencies/Sonstige leistungen" (Sozialhilfe insgesamt) for western Germany was multiplied with the series "Sonstige leistungen" (Sozialhilfe insgesamt) for Germany, giving values for total other contingencies (13) for Germany.

C Other Policy Areas for all Other OECD Countries

Australia: all data are supplied by the Australian Institute of Health and Welfare. There are no estimates.

Austria: for the years 1980,1985 and 1990-93 data on old age cash benefits (1), disability cash benefits (2), except for 2.5, occupational injury and disease (3), and survivors (6), except for 6.1.2., are provided by the Bundesministerium für Arbeit und Soziales. For the years 1980-1992 the data on disability other cash benefits (2.5), orphans' pensions (6.1.2), family cash benefits (5), family services (6), and other contingencies (13) are supplied by the Austrian Institute of Economic research (WIFO). For 1993 the data on disability other cash benefits (2.5), and other contingencies (13) are taken from Österreichisches Statistisches Zentralamt Sozialhilfe (1993). For 1993 the data on orphans' pensions (6.1.2) are taken from: Hauptverband der Österreichischen Sozialversicherungsträger (1994), *Statistisches Handbuch der Österreichischen Sozialversicherung*, Vienna. Data on sickness benefits (4) for the years 1988-1993 are taken from: Hauptverband der Österreichischen Sozialversicherungsträger (1992) and (1994), *Statistisches Handbuch der Österreichischen Sozialversicherung*, Vienna.

Estimates regarding policy areas: sickness benefits (4) 1980-1985: extrapolation of the series backwards using the 1988-89 annual average growth rate; family cash benefits (7) (excluding maternity and parental leave benefits) 1993: applied the five year annual average growth rate of the available series on the 1992 value; maternity and parental leave (7.6) 1993: the 1990-1991 growth rate of the maternity and parental leave series on the observation for 1992; family services (8): 1993, applied the five year annual average growth rate of the available series on the 1992 value. For additional estimates on series at programme level, see the notes and sources in Part III.

Canada: all data are supplied by Human Resource Development Canada. There are no estimates.

Finland: all data are taken from the Ministry of Social Affairs and Health (1995), *Social Security Database 1980-1993*. There are no estimates.

Japan: all data are supplied by the Social Development Research Institute. There are no estimates.

Mexico: all data are supplied by the Secretaria del Trabajo y Prevision Social. There are no estimates. Mexico became a member of the OECD in May 1994. Data on social expenditure for the years before 1985 are not available.

Norway: all data are supplied by the Royal Norwegian Ministry of Health and Social Affairs.

Estimates regarding policy areas: All missing data pertain to missing observations within a data-series. Consequently, the missing observations were estimated by interpolating between data-points using average annual growth rates.

New Zealand: all data are supplied by the Department of Social Welfare. There are no estimates.

Sweden: all data for the years 1980-1992 are supplied by the Ministry of Health and Social Affairs. For 1993, data are taken from National Social Insurance Board (1995), *Social insurance statistics, Facts 1995*, Stockholm.

Switzerland: all data are supplied by the Office Fédéral des Assurances Sociales.

Estimates regarding policy areas: occupational injury and disease (3): 1980, this observation was obtained by determining the annual average growth rate for the period 1985 and 1990, and extrapolating the series backwards to 1980: family cash benefits (7): see detailed notes and sources for estimate of main family allowance programme.

Turkey: all data are supplied by the Ministry of Labour and Social Security.

Estimates regarding policy areas: family cash benefits (7): the observations for 1990-1993 were obtained by applying the growth rate of previous period; for health (11): the data for 1981-1983 pertain to missing observations within a data-series. Consequently, the missing observations were estimated by interpolating between data-points using average annual growth rates.

United States: all data are supplied by the Department of Health and Human Services, or were taken from Committee on Ways and Means, US House of Representatives, *The Green Book, Overview of Entitlement Programs* (various issues), Washington DC, and Social Security Administration (1995), *The Annual Statistical Supplement to the Social Security Bulletin*, Washington DC. These latter data pertain to specific programme data. Further details on the sources per programme can be found on the individual country table.

Estimates regarding policy areas: occupational injury and disease (3): 1993, applied previous period's growth rate on the 1992 observation.

PART III. INDIVIDUAL COUNTRY TABLES

Conventional signs

- .. Data not available.
 - Nil or less than half of the last digit used.
 - : Included elsewhere.
 - ◇ Not applicable.
 - . Decimal point.
 - | Break in series, which is defined as a significant change in data availability.
- The figures which are estimates, and policy area aggregates of which over 50 per cent of the expenditures is estimated, are in italics.*

General note

Germany refers to the Federal Republic of Germany after the unification of Germany and western Germany refers to the Federal Republic of Germany before the unification of Germany. Social expenditure for Germany is presented as from 1991. Detailed social expenditure data is presented for western Germany as from 1980.

As countries have significantly different institutional arrangements, countries do not necessarily have programmes in all sub-categories. If information is insufficiently detailed to permit classification of expenditures into one of the sub-categories, it will be classified as “non-attributable”. For example, if the old age pension expenditure category cannot be exhaustively disaggregated over sub-categories 1.1.1, 1.1.2, and 1.1.3, the expenditures in category 1.1 “old age pensions” is the sum of 1.1.0 (old age pension, non-attributable), 1.1.1 (personal entitlements), 1.1.2 (spouse supplements) and 1.1.3 (child supplements).

Detailed information on the sources and estimates can be found in either the notes and sources to Part II or, when it concerns information at the programme level, in the notes to the individual country tables.

The recording period with respect to the social expenditure data is not the same for each country. Most countries report data by calendar year (1 January to 31 December), except for Australia, Canada, New Zealand, Japan, the United Kingdom and the United States where the data reported pertain to a financial year which differs from the calendar year. In accordance with OECD statistical practice, for Australia and New Zealand the financial year refers to the period 1 July to 30 June. For example, the 1990 data recorded in SOCX for Australia and New Zealand refer to the period July 1990 to June 1991³⁷. Analogously, the 1990 data recorded in SOCX on the United States refer to the period October 1989 to September 1990. For Canada, Japan and the United Kingdom the reported data in SOCX for 1990 refer to April 1990 to March 1991. For those tables and graphs where GDP and the GDP deflator have been used, it has been done in such a manner that it matches the relevant quarters of the financial year. For all other countries GDP data refer to calendar years.

³⁷ The 1989 data on New Zealand in SOCX refers to the period April 1989 to March 1990. The national authorities of New Zealand regard the period April 1989 to March 1990 as financial year 1990. The national authorities of Australia and New Zealand regard the period July 1990 to June 1991 as financial year 1991.