

ANNEX : ESTIMATING PUBLIC SOCIAL EXPENDITURE 2012/13-2014 – SOURCES AND METHODS

Detailed SOCX data is not available for the period after 2011/12. However, the public social expenditure series as in SOCX was extended to 2012, 2013 and 2014 using available information on national aggregates for 2012 and 2013 in the *OECD Economic Outlook* and the European Union's Annual macro-economic database (AMECO) and estimates for 2014, or country responses to the OECD questionnaire on Social expenditure outlook for non EU countries. Based on projections in the *OECD Economic Outlook 95 A* and AMECO may 2014 version, public social spending aggregates were estimated for 2014.

Two series were extended from 2012 until 2014 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, 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 2012-2013, trends in social security benefits paid by general government (SSPG) as in the database underlying OECD (2014a) *Economic Outlook 95A* database) were applied to public social expenditure in cash as in 2011; for 2014 the estimated SSPG series as in OECD (2012a) was used.
- Services spending : for the years 2012 – 2013, 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 2011. 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 2012 and 2013, it concerns spending data as reported by countries; for 2014 the estimated UCIG0 series as reported in AMECO was used.
- Public expenditure on Active Labour Market Programmes (ALMPs): From 2012 to 2014 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 95A as released May 2014 (www.oecd.org/oecdEconomicOutlook) for 2014.

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 Switzerland, data on spending on social protection from COFOG were used for 2012; standard procedure was applied as off 2013.

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 2012 to 2014.

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 defined above.

Table 1. Estimation method for public social spending on cash benefits, services and ALMPs, 2012/13-2014

	Cash	Services	Active Labour Market Programmes
Australia	Data were taken from the country response to the aggregates data request for 2013-2014.	Data were taken from the country response to the aggregates data request for 2013-2014.	Data were taken from the country response to the aggregates data request for 2013-2014.
Austria	x	x	x
Belgium	x	x	x
Canada	x for 2012 2013	2009-2012 annual average growth rate for 2013-2014	2009-2012 annual average growth rate for 2013-2014
Chile	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.
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 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.
Italy	x	x	x
Japan	Not available		
Korea	Data were taken from the country response to the aggregates data request for 2013-2014.	Data were taken from the country response to the aggregates data request for 2013-2014.	Data were taken from the country response to the aggregates data request for 2013-2014.
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 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.
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	Use of COFOG Data for 2012 otherwise x afterwards	Use of COFOG Data for 2012 otherwise x afterwards	Use of COFOG Data for 2012 otherwise x afterwards
Turkey	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.	Data were taken from the country response to the OECD questionnaire on social expenditure data till 2013.
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 (2014b), *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.